

SOUTH MORELAND AVENUE LCI STUDY:

DRAFT ECONOMIC AND MARKET ANALYSIS



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Purpose of Analysis

The purpose of this analysis is to examine the socioeconomic and real estate market trends in the South Moreland LCI Study Area, and determine how they may impact the potential for redevelopment and revitalization. Both the positive and negative influences affecting the area are considered in this analysis for the purpose of identifying opportunities to enhance declining areas and to capitalize on positive trends. Market + Main, Inc. is contracted with Glatting Jackson Kercher Anglin to deliver the Economic and Market Analysis component within the South Moreland LCI Study.

This document has ten sections, as outlined below.

STUDY AREA CHALLENGES & ASSETS: Listing of challenges and assets that need to be addressed or leveraged related to the Study Area.

MARKET DEFINITION: Details the market areas that are examined, including the Study Area, Primary Market Area, and Secondary Market Area, and how they are defined.

SOCIOECONOMIC ANALYSIS: Examines population and employment trends related to the metro Atlanta Region and the Study Area. Also reviews demographics for the Study Area, Primary Market Area, and Secondary Market Area.

RESIDENTIAL MARKET ANALYSIS: Reviews metro Atlanta market and Study Area characteristics related to residential development trends and inventory. Forecasts demand based on household growth and recommends product type by tenure in five-year increments.

RETAIL MARKET ANALYSIS: Reviews metro Atlanta market and Study Area characteristics related to retail development trends and inventory. Forecasts demand based on household growth and potential retail sales, and recommends scale of retail along with type of goods in five-year increments.

OFFICE MARKET ANALYSIS: Reviews metro Atlanta market and Study Area characteristics related to office development trends and inventory. Forecasts demand based on household growth ratio of population to employment and employees to square footages and recommends space allotments for office in five-year increments.

INDUSTRIAL MARKET ANALYSIS: Reviews metro Atlanta market and Study Area characteristics related to industrial development trends and inventory. Forecasts demand based on current usage patterns, as appropriate.

CATALYST PROJECTS: Description of recommended priority projects to be undertaken in order to effectively leverage public investments to spur further private investment.

ECONOMIC DEVELOPMENT RECOMMENDATIONS: Listing of overarching recommendations and next steps in terms of economic development efforts for DeKalb County in reference to the Study Area.

APPENDIX: Tables and charts that provide statistical detail for analyses contained in this document; also provides longer-term forecasts than those highlighted in the narrative analysis.

Study Area Challenges & Assets

There is significant potential for development and redevelopment in the Study Area. However, as in every community, there are challenges that need to be addressed and assets that need to be recognized. A consistent circumstance in terms of planning, market analysis, and economic development is that, many times, issues are just opportunities in hiding. Meaning that what seems like a negative might easily be turned into a positive for the community with an adjustment in perspective and a leveraging of resources. That is why it is important to face challenges, recognize them, come to understand them, and implement actions to change them in order to move the South Moreland area forward in the long-term. These issues and opportunities are based on stakeholder interviews, market assessment, and feedback at public meetings.

CHALLENGES

- Parcel shape – small or odd-shaped
- Parcel size – shallow and narrow
- Underutilized commercial uses/tertiary retail uses along parts of Corridor
- Vacant property
- Lack of connectivity
- Perception of crime in some areas
- Development activity not consistent throughout area
- Low income levels in Study Area
- Not pedestrian friendly throughout area
- Rundown properties, lack of maintenance
- Low educational attainment levels in Study Area
- Underutilized building footprints
- Speculative investors holding land
- Decked parking likely required for much of redevelopment – costly

ASSETS

- New development activity
- Vacant properties opportunities for development
- Support for higher density development
- Diversity
- Unique and independent retailers
- East Atlanta Village
- Proximity of Glenwood Park
- Support for mixed income housing to ensure residents have options to stay in community
- Desirable residential area
- Preserve historic character of neighborhoods
- Convenient location to downtown Atlanta and Decatur
- Great access with Moreland as thoroughfare to Interstate 20
- Opportunity for good return on real estate investment

Market Definition

To determine the potential for new uses or support for existing and expanding uses, it is important to first understand who the market is. Understanding the demographic and economic characteristics of the residents and workers in the area is critical in understanding why the market is where it is, how the market can develop, whether it is under-served or saturated, and what would be supportable. It is also important to review the historic trends that have occurred in the area, as well as considering what is currently being projected to happen in the area in the future. All of these characteristics go into formulating what kind of development can be supported and how much can be supported. While the numbers begin to craft the backdrop for the story of the Study Area, they certainly can not effectively convey the entire story. The final recommendations will be based on a mixture of quantitative and qualitative analyses. Maps of these areas are on following pages.

STUDY AREA

The Study Area is one-quarter mile deep on each side of Moreland Avenue from Interstate 20 to Constitution Road.

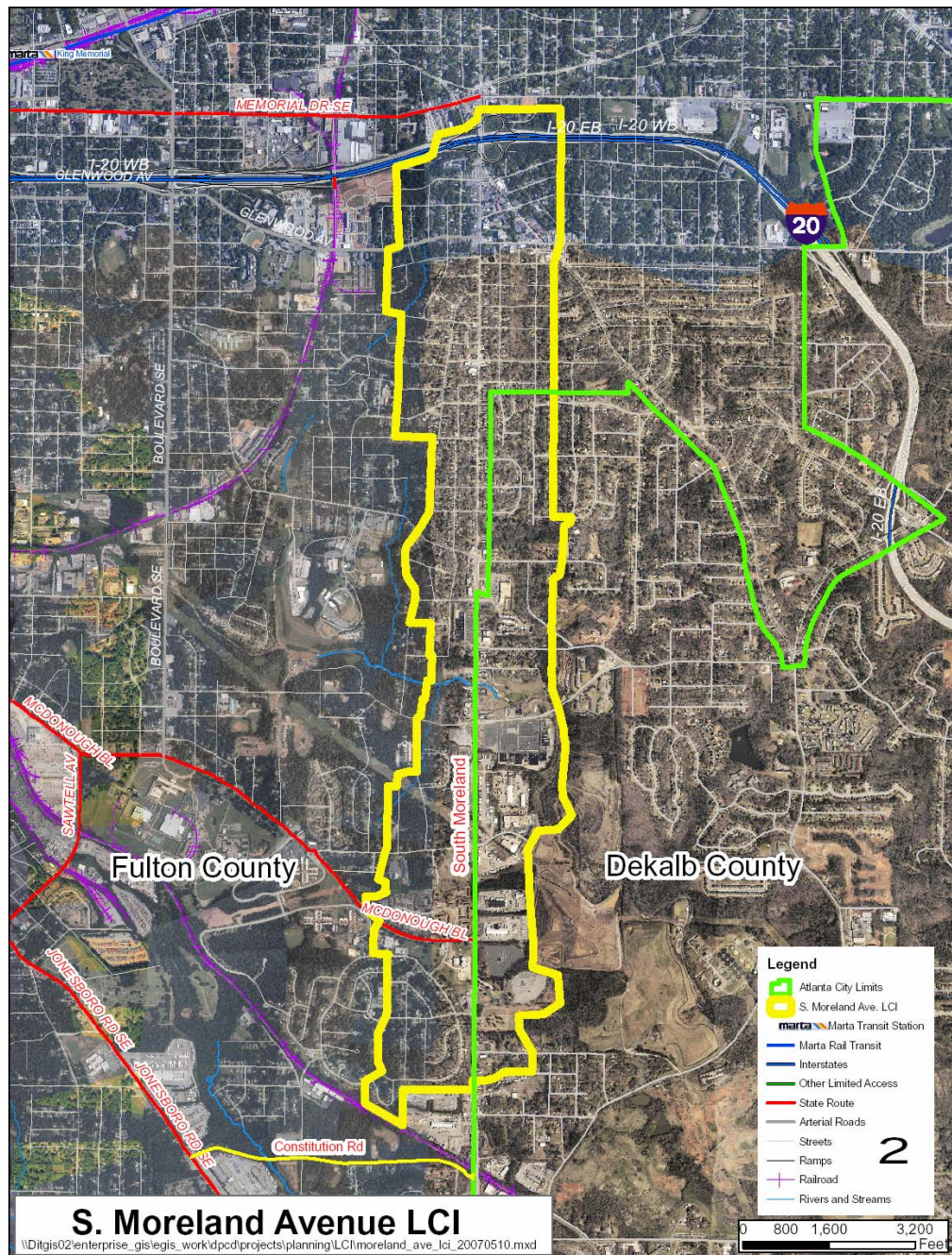
PRIMARY MARKET AREA

The Primary Market Area is defined by a 5-minute drive time from the intersection of Moreland Avenue and Custer Avenue. On average, residents are willing to drive less than five minutes (usually between two and three miles) for convenience retail, such as groceries, sundry items, dry cleaners, etc. This drive is usually shorter in urban areas where uses are more closely located. This area is primarily comprised of residents of the immediate area, or workers from businesses located in the area, in search of convenience-related goods and services. Restaurant customers would most likely be those making spontaneous decisions to eat out or pick something up for dinner that evening.

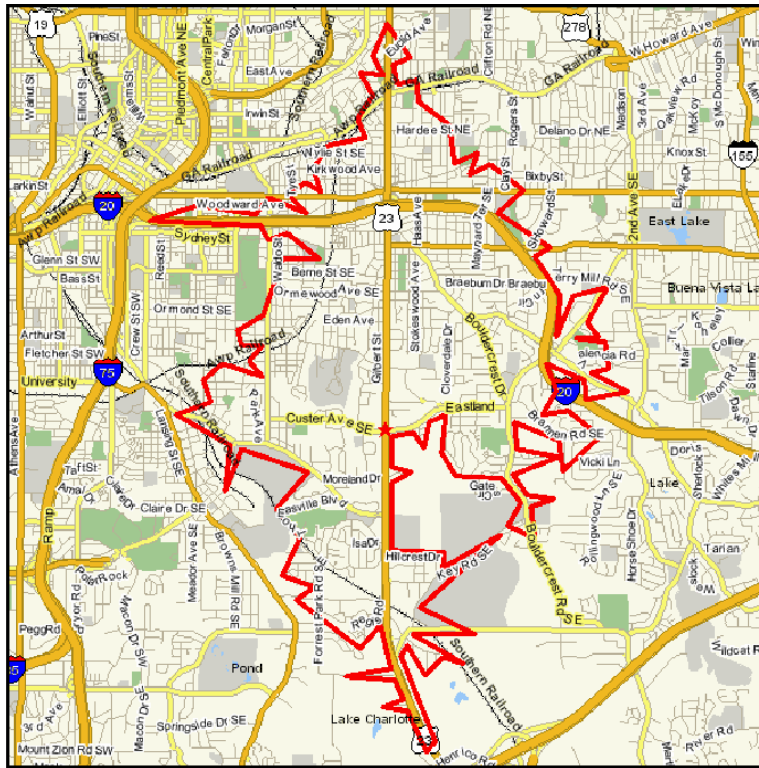
SECONDARY MARKET AREA

The Secondary Market Area is defined by a 10-minute drive time from the intersection of Moreland Avenue and Custer Avenue. This area is where the majority of customers will come from. These consumers will be looking for some convenience retail, but will also be searching for community and even regional retail options; these will be planned or destination-related shopping trips. These customers will be willing to travel further distances for unique goods and services, something they cannot find close to their own homes or businesses. Restaurant customers will be looking for the same elements: unique foods or selections; unusual atmospheres; white-tablecloth restaurants; or popular meeting places.

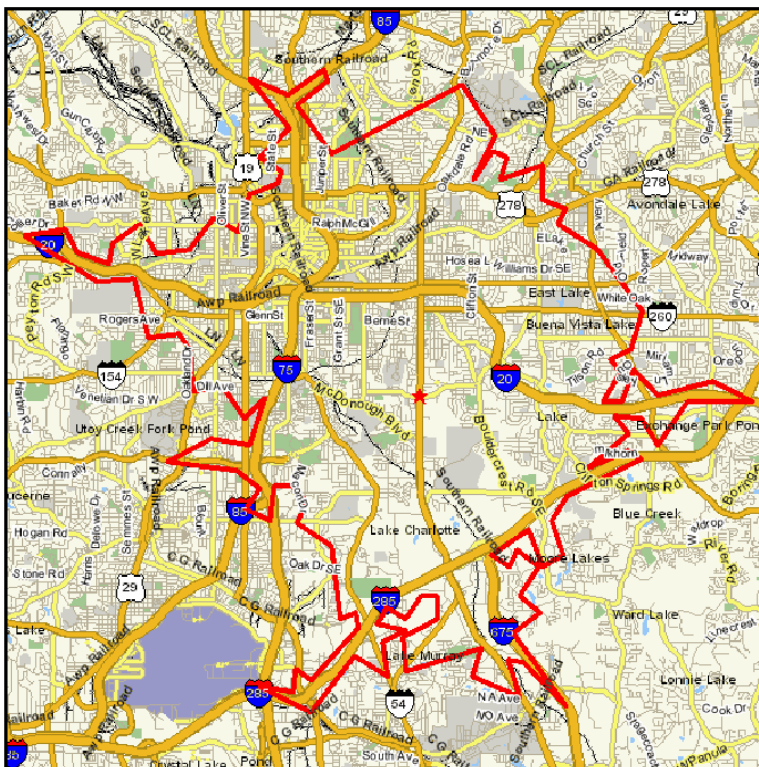
STUDY AREA MAP



PRIMARY MARKET AREA MAP



SECONDARY MARKET AREA MAP



Socioeconomic Analysis

REGIONAL POPULATION AND EMPLOYMENT TRENDS

As is well documented, the Atlanta Region experienced dramatic and consistent growth during the 1990s. Between 1990 and 2000, the Atlanta Region grew by 34%, averaging to an annual growth rate of 3.4%, or adding about 87,000 new residents per year. The Atlanta Region was able to move out of the recession of the early 1990s pretty quickly, based on a diversified economic base. In fact, the Region doubled its size between 1980 and 2006, as its total population has reached about 3.9 million. The increase between 2005 and 2006 is actually the greatest single-year increase since 1999 to 2000, making it the fourth largest single year increase in the history of the Region. Further, the Atlanta Region has actually been the fastest growing metro area nationwide since 2000.

The Atlanta Region experienced a similar phenomenon in job growth, more than doubling during the same time period, to about two million jobs. It is widely known that Atlanta's population growth has been fueled primarily by people moving to the Region for jobs. As the national recession slowed job growth, so did Atlanta see a slowing in their population growth until just this year.

Historically, most of the growth within the Region was seen in more suburban locations. During the 1980s and 1990s, the north side of town experienced roughly 75% of the Region's total growth. In terms of employment, most of the Region's job growth happened along the GA400 corridor, in the Perimeter Center area, and in northern Gwinnett and Forsyth counties. Since the mid-1990s, growth has accelerated on the south side (with I-20 as the demarcation line) as congestion has increased and land has become more expensive on the north side. The Region's areas with the greatest population increases between 2000 and 2005 are all located outside I-285.

The closer-in counties in metro Atlanta have continued to add new residents, but their overall population share has declined relative to further out counties. Incorporated cities in the Region account for less than a third of the region's population gains between 2000 and 2005. Population density across the metro area continues to be low, in comparison to other large metropolitan cities, but it is increasing.

The expectation across the Region is for growth to continue, both in population and employment, but at slower rates than the enormous expansion that was seen during the 1990s. Jobs are expected to increase by 1.2 million by 2030. Population is expected to increase by 2.3 million by 2030. Net in-migration is expected to account for just over half the growth in the Region. Suburban counties are expected to experience the highest growth rates over the next 25 years, in terms of both population and employment. However, while the "external" 10 counties are forecast to grow the fastest in percentage terms, the "core" 10 counties will still account for 76% of the total 20-county population in 2030. ARC's forecasts indicate that the Region's economy will still outpace the nation in terms of growth, even though we are not expected to see the phenomenal rates of growth that were experienced in the late 1990s.

STUDY AREA POPULATION AND EMPLOYMENT OVERVIEW

The Study Area has grown approximately 14% since 1990. Obviously, this does not demonstrate a share of the phenomenal growth some of the Atlanta Region saw during this time. However, it does demonstrate strength in terms of stability and diversity, to show growth at all during a time when many other urban areas lost significantly more population within the Region. The Study Area actually lost population between 1990 and 2000, but has been posting increases annually since that time. Further, it is important to note that it is typical as gentrification occurs in urban areas that total population numbers actually decline. This is because many of the new households are smaller than the ones they have replaced, but they are usually wealthier as well. The growth expected over the next five years in the Study Area is twice the national average. While the projected eight percent growth rate is a few percentage points less than what is expected for the Atlanta MSA¹ as a whole, it is still a quite notable increase.

	1990	2000	CENSUS-BASED				ARC	
			2007	2012	Change 2000- 2007	Change 2007- 2012	Change 2000- 2005	Change 2005- 2010
Study Area	8,671	7,920	9,148	9,900	15.5%	8.2%	3.1%	0.1%
Primary Market Area	39,769	37,440	41,410	43,768	10.6%	5.7	N/A	N/A
Secondary Market Area	236,196	243,560	276,562	295,583	13.5%	6.9%	N/A	N/A
Atlanta MSA/Region	3,069,411	4,247,981	5,122,861	5,709,771	20.6%	11.5%	6.0%	7.7%

Census-based statistics primarily use a straight-line projection methodology based on historic trends. This does not always paint an accurate picture of what is actually happening in a community, particularly in urban areas. Thus, estimates and forecasts from the Atlanta Regional Commission (ARC) were also reviewed. ARC's projections provide a local perspective on what is happening in the Study Area. An annual household growth was determined using a combination of Census-based and ARC forecasts and supplemented with local on-the-ground interviews and building permit information.

There has been a clear resurgence of interest in urban intown locations in recent years, and the Study Area certainly fits that bill. While employment growth is projected to be moderate for the Region, it is still expected to be witnessed in historic employment cores, including downtown and midtown Atlanta, which are both in reasonable proximity to the Study Area. The daytime population within the Study Area is somewhat small, but when considering the Primary Market Area, that number increases notably. The Primary and Secondary Market Areas include portions of downtown, which obviously is a significant employment center for the entire Atlanta region. The Study Area constitutes less than two percent of the City of

¹ 20-county Metropolitan Statistical Area, made up of Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton counties.

Atlanta's total employment. While the Study Area has a much stronger proportion of residents than employees, the employment rate of growth has been faster than the City of Atlanta as a whole and twice the national growth rate. The impact of the surrounding development on the Study Area is clear when considering the needs for convenience and retail goods and services.

	Study Area	Primary Market Area	Secondary Market Area
Daytime Population	3,873	16,997	118,308
Change in Employment Since 2000	19.3%	12.8%	14.9%

Economies do not function locally, economics is a regional phenomenon. Trying to isolate detailed employment numbers and still retain meaning for them is a difficult endeavor. In terms of sector employment, the Study Area's largest industry sectors are Retail Trade, Services, and Manufacturing. The Atlanta MSA's top three industry sectors, in terms of employment, are Services, Retail Trade, and Transportation/Communications/Utilities. Clearly, the primary differences are the size of the Retail Trade, Construction, and Wholesale Trade industries in the Study Area, which are each about twice as large as the Atlanta MSA's proportion.

Industry Sector	Study Area	Atlanta MSA
Construction	10.8%	5.3%
Manufacturing	2.2%	9.0%
Transportation/Communications/Utilities	4.2%	6.4%
Wholesale Trade	10.5%	5.2%
Retail Trade	38.8%	21.7%
Finance/Insurance/Real Estate	8.8%	8.2%
Services	24.2%	37.0%
Public administration	0.1%	6.1%

Workers in the Study Area are predominately employed in sales and office occupations, service occupations, and professional and related occupations. These rankings are different than the Atlanta MSA, as its largest proportion of occupations is in the sales and office segment, then professional and related, then management, business, and financial. The biggest difference is that the Study Area is about nine percent greater in service occupations and the Atlanta MSA is about seven percent larger in management, business, and financial occupations.

STUDY AND MARKET AREA DEMOGRAPHIC OVERVIEW

As mentioned earlier, across the Atlanta Region, there has been a rediscovery of "intown" living and the benefits of its location. Urban environments that had experienced population loss during the 1990s, as more people moved out to the suburbs, have seen an increase in population in the last several years.

Previously economically challenged areas, or those that have experienced disinvestment, are being revitalized as people rediscover the qualities that made these urban environs attractive to residents and businesses originally. Throughout the Study Area and in surrounding neighborhoods, it is easy to identify the areas where residents are rehabilitating older homes, building new, infill housing, and reinvesting in the community. Likewise, the business community has redeveloped, as new businesses have moved in, existing businesses have renovated and expanded, and the commercial segment of the Study Area has gained a renewed vibrancy and vitality.

On the next page is a table that illustrates the key demographic and economic elements of the markets being considered in this analysis. Those that deserve specific highlighting include the following.

- The Study Area is expected to grow at a pace that is on par with the City of Atlanta as a whole, at 8% between 2007 and 2012. The Study Area's growth rate is higher than the surrounding market areas. While the rate of growth is less than the Atlanta MSA² average, it is at twice the national average.
- The Atlanta Regional Commission's and the Census-based projections are quite different for the Study Area. The Atlanta Regional Commission has a larger starting residential base, but projects it at a significantly slower growth rate while the Census-based projections show a much higher projected growth rate.
- The three largest age groups in the Study Area are 35 to 44, 25 to 34, and 5 to 14 years of age. These statistics demonstrate established families and people starting families in the area. The median age of the Study area is 33.7, about four years younger than the national average.
- There are few retirement age and elderly people in the Study Area. However, the largest growth in the next five years is expected in the age groups of over age 55; the three largest, in order, are 75 to 84, 65 to 74, and 55 to 64 years of age. In terms of recent growth, in the last five years, the 55 to 64, 45 to 54, and 0 to 4 age groups were the ones that saw the largest increase.
- It is projected that there will be an approximately 10% loss in the 25 to 34 age group over the next five years. This projected loss is likely tied to the unprecedented mobility of this age group nationwide.
- Almost one-third of the population within the Study Area has not graduated from high school. The proportion of residents with a high school degree is under both the Atlanta MSA and national averages. The proportion of the Study Area's residents that have college degrees is less than the MSA and national averages.
- The per capita income (perhaps the most important statistic to review in terms of understanding how a community is *really* doing) in the Study Area (\$19,629) is 77.0% of the national average, a difference of about \$5,800 annually. While the Study Area being below both the national and Atlanta MSA per capita income averages is troubling, the

² 20-county Metropolitan Statistical Area, made up of Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton counties.

Study Area is expected to grow at a rate that will increase its share of these two geographies over the next five years.

- Both market areas' per capita incomes (PCI) are also less than the national and MSA averages. However, it is worth noting that the Primary Market Area's PCI is below the Study Area's, but the Secondary Market Area's PCI is above the Study Area's.
- About one-third of the Study Area's households earn less than \$25,000 annually. This is 10% more than the national average and 16% above Atlanta MSA average.
- Nearly 60% of the households in the Study Area earn under \$50,000 annually, which is above the national and MSA averages. A small percentage (12.6%) of the Study Area's households earns over \$100,000 on a yearly basis. The household income in the greater market areas mirrors the per capita income trend; the Primary Market Area is below the Study Area and the Secondary Market Area is slightly above the Study Area.
- The average household income in the Study Area is \$53,713, which is less than the MSA (\$76,863) and national (\$66,670) averages. However, the Study Area's household income has grown at a faster rate since 2000 than both the MSA and the nation.
- The average household size of the Study Area is larger than the national, Atlanta MSA, and market area averages.
- The ratio of single-person households in the Study Area (25.5%) is just under the national (26.3%) and just over the Atlanta MSA (22.9%) averages.
- The Study Area has a greater proportion of renters than both the national and Atlanta MSA averages. However, the Study Area reports a lesser proportion of renters than the greater market areas.

Study Area	Primary Market Area	Secondary Market Area
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SIZE OF MARKET

Residents	9,148	41,410	276,562
Households	3,317	15,092	108,786
Daytime Population	3,873	16,997	118,308

CHARACTERISTICS OF MARKET

AGE			
Under 18	28.7%	29.2%	23.0%
Between 25 & 35	16.0%	16.0%	18.4%
Over 65	8.3%	8.2%	7.8%
INCOME			
Per Capita Income (PCI)	\$19,629	\$19,120	\$23,627
PCI as % of National Average	77.0%	75.0%	92.7%
Change in PCI since 2000	24.7%	26.9%	26.6%
Household Incomes \$25,000 - \$49,999	24.4%	26.8%	25.0%
Household Incomes Above \$100,000	12.6%	11.9%	15.5%
Average Household Income	\$53,713	\$51,745	\$58,447

**SOUTH MORELAND AVENUE LCI STUDY
DRAFT ECONOMIC AND MARKET ANALYSIS**

	Study Area	Primary Market Area	Secondary Market Area
Change in Avg. HH Income since 2000	24.7%	26.9%	24.1%
HOUSEHOLDS			
Average Household Size	2.75	2.73	2.34
Single-Person Households	25.5%	27.2%	39.0%
Owner-Occupied Households	57.3%	50.1%	59.2%
PROJECTED GROWTH OF MARKET			
Census-Based, 2007-2012	8.2%	5.7%	6.9%
ARC, 2005-2010	0.1%	N/A	N/A

There is opportunity for these numbers, and the trends they represent, to change as continued redevelopment takes place in the Study Area. The potential types of uses that are supportable in this market lend themselves to a mixed use development scenario, which would help to make the area a destination.

Detailed demographic and economic information can be found in the Appendix.

Residential Market Analysis

OVERVIEW

Like the rest of the country, housing sales and values in metro Atlanta have begun to experience a flattening market, following a period of historic gains over the past 10 years. Across the metro area, a major housing slowdown has occurred. While the number of closings are down substantially, records are being set for expired and withdrawn sales listings, and the number of days on the market is the highest since 1998, some recent statistics are showing early, minor indications of the decline taking a turn. Without question, there has been a clear shift to a buyers market for residential properties in metro Atlanta.

Nationally, building permits issued through November 2007 were down 24% over the same period in 2006, while permits in the Atlanta MSA³ were down 33%. Residential developers in the Atlanta MSA have begun to adjust to this slowing market, as evidenced by reports of decreasing building permit applications. Building permits for single family homes fell 41% through November 2007, as compared with the same period in 2006. Until recently, multi-family building permits had actually continued to increase in the Atlanta MSA. While they have begun to decline, it is at a much lower rate than single-family homes. Building permits for between two and four units have now fallen 14% and permits for five or more units have declined four percent through November 2007, as compared with the same period in 2006.

The median sales price for single-family homes in the Atlanta MSA was at \$171,800 for 2006, according to the National Association of Realtors. The Atlanta MSA median sales price gained 9.5% since 2004. But, growth in median sales prices has begun to be affected by the overall downturn in the market, decreasing 0.5% through third quarter 2007 from the same time in 2006. However, the median sales price increased by three percent between first quarter 2007 to third quarter 2007. Yet, Atlanta is still considered affordable in comparison to prices in other regions, at 79% of the national median price. Condominium sales prices grew at a slower pace between 2004 and 2006, increasing 6.5% since 2004. The median sales price for the Atlanta MSA was at \$153,000 for condos in 2006, according to the National Association of Realtors. However, condominium prices decreased between the first and third quarters of 2007, decreasing by five percent.

The historically low interest rates and creative financing offers that have been seen in the last few years served to make renters into first-time homebuyers. As interest rates continue to increase, the mortgage industry reorganizes, and the economy rebounds, more potential renters are emerging, creating a higher demand for rental housing. The boom in the for-sale housing market over the past 10 years essentially served to suppress the rental market; thus, it is now experiencing strong gains and vitality in the market.

³ 20-county Metropolitan Statistical Area, made up of Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton counties.

STUDY AREA CHARACTERISTICS

The Study Area is in a variety of stages of urban redevelopment. The northern half of the Study Area includes what are considered established intown neighborhoods, such as East Atlanta and Ormewood Park. The southern half of the Study Area includes neighborhoods that are beginning to see property values appreciate as the area has stabilized somewhat in the last few years. Over the past several years, increased activity in terms of renovation and rehabilitation has been occurring throughout the Study Area. More recently, there has been a burst in infill activity on larger scales. This is not surprising, and makes particular sense on the significant commercial and commuting corridor of Moreland Avenue. An increase in infill activity of multi-family and mixed use developments on this Corridor serves as transition between commercial uses and single-family homes.

An interesting characteristic of the Study Area is that it is bisected by the county lines of DeKalb and Fulton. Moreland Avenue serves as the dividing line between the two counties; with Fulton County to the west and DeKalb County to the east. This is an important characteristic because there are differences in both building activity and value in each county; these lines also serve as neighborhood boundaries.

BUILDING PERMITS

Residential building permits activity in DeKalb County has steadily decreased over the past several years as land for residential development has become more scarce. Permits decreased approximately 35% from 2004 to 2006. In the face of the housing slowdown across both metro Atlanta and the nation, DeKalb County actually reported an increase of 16% in residential building activity through November 2007, in comparison to the same time in 2006. While single-family and two to four unit (usually duplexes or townhomes) permits declined during this time, it was the drastic increase of five or more unit (condominiums or apartments) permits that account for the overall net gain. Single-family permits fell 27% through November 2007, as compared with the same period in 2006. Building permits for two to four units decreased 50% during the same timeframe. However, multi-family permits (five or more units) in DeKalb County increased 102% through November 2007.

Residential building permits activity in Fulton County increased approximately 10% between 2004 to 2006. Fulton County has been more directly impacted by the housing slowdown, which is evident in the more recent building permit activity; with a decrease of 29% in residential building activity through November 2007, in comparison to the same time in 2006. Not surprisingly, the largest decline was experienced in single-family permits, which reported a loss of 52% between November 2006 and November 2007. The decline in two to four unit permits and five or more unit permits were much lower, falling by 11% and 5%, respectively.

For the City of Atlanta as a whole, residential building permit activity grew by 85% from 2000 to 2006. So, it is clear that the sheer pace of building activity across the City is markedly different when comparing the last several years. The biggest increase was seen in single-family permits, which increased by 129% during that timeframe. The number of residential building permits increased approximately 11% between 2004 to 2006. Between 2006 and 2007, residential building permits declined by 12%. Single-family permits decreased the most during

this timeframe, by 31%, reflecting the housing market trends seen elsewhere. The permits for between two to four units, likely townhomes in this case, declined by 15% between 2006 and 2007. The permits for five or more units fell by 8% during the same timeframe.

When looking a bit more closely at the building permit information, it is also important to consider the value created by the issuance of the permit. While this is an estimation at the time of application, it is still interesting to consider any trends obvious in this information. The total construction value of building permits in 2006 was over three times higher than the value in 2000. The average permit value has been appreciating steadily in the City since 2000. Even while the number of residential building permits has declined in the last year, the value of the average permit actually appreciated by just over one percent between 2006 and 2007.

According to data obtained from the City of Atlanta, there were 1,334 building permits issued for the Study Area between 2000 and 2007. The annual number of permits ranged between 130 and 150 during this timeframe. However, in 2002, 2004, and 2005, there were notable spikes in the number of permits issued. Between 2000 and 2007, the number of residential building permits issued in the Study Area rose by eight percent. The vast majority of these permits in the Study Area were related to single-family homes, with most having to do with additions, alterations, etc., not new construction. Between 2000 and 2007, there were 115 permits issued related to new residential construction, or just under 10% of the total building permits issued.⁴

RESIDENTIAL SALES

The 2006 median sales price for DeKalb County (\$177,900) increased five percent over the previous year. The largest increase was in new home prices, which increased 25%. This growth is faster than the Atlanta MSA. Existing home prices grew at a much smaller pace, increasing only one percent over the previous year. Sales of homes remained essentially flat during this period, increasing only one percent; three-quarters of sales volume were resales of existing homes.⁵ The average sales price for new homes in DeKalb County in 2007 was \$308,100.⁶

The 2006 median sales price for Fulton County (\$210,000) increased one percent over the previous year. The largest increase was in new home prices, which increased by five percent. Existing home prices actually lost value, decreasing by six percent over the previous year. Sales of homes did grow slightly during this period, increasing by five percent; sales volume was relatively even between new and existing homes.⁷ The average sales price for new homes in Fulton County in 2007 was \$295,900.⁸

The sales prices and sales volume in the two zip codes found in the Study Area are similar to metro-wide trends. The 30316 zip code covers both sides of Moreland Avenue in the Study

⁴ Source: City of Atlanta.

⁵ Source: Atlanta Journal-Constitution Home Sales Report, Market Data Center.

⁶ Source: Smart Numbers.

⁷ Source: Atlanta Journal-Constitution Home Sales Report, Market Data Center.

⁸ Source: Smart Numbers.

Area on the northern half and then runs only on the eastern side in the southern half. The 30315 zip code is to the west of Moreland Avenue in the southern portion of the Study Area.

The average sales price (\$292,000) for the 30316 zip code is up significantly (30%) from 2004, but is down nine percent since last year. The number of residential closings is down 11% since 2004, and down 29% from last year. The proportion of house supply on the market is a bit lower than the metro average in the 30316 zip code. The average sales price (\$233,000) for the 30315 zip code is up four percent from 2004, and shows an appreciation of six percent since last year. The number of residential closings is up three percent since 2004, and down 56% from last year. The proportion of house supply on the market is higher than the metro average in the 30315 zip code.⁹

In both the zip codes being considered, the most stagnant supply of homes is priced over \$500,000. The most sales activity, and the least amount of supply, is taking place in the market with homes priced between \$150,000 and \$175,000. Resales, as opposed to new home sales, are approximately three-quarters of the market activity in both zip codes.¹⁰

EXISTING RESIDENTIAL

The Moreland Avenue corridor is predominately commercial uses, but there are sections of residential as well. The bulk of residential in the Study Area is actually found in the surrounding neighborhoods. These neighborhoods are dominated by single family homes, the majority of which were built prior to 1970, and in many cases, well before that. Over the past ten years, there has been some infill development. The few multi-family units found in the area are older, smaller complexes. The Study Area is divided into six residential areas here.

Interstate 20 to Glenwood Avenue

There is no residential currently on this portion of Moreland Avenue. However, to the east of Moreland in this area is East Atlanta and to the west is North Ormewood Park; both well-established neighborhoods. Glenwood Park is further west, but is notable as it signifies a change in the density, scale, and price points in the area. The residential just off this portion of the Corridor is predominately very old, well-maintained single-family housing. There are some homes sprinkled in that are ill-maintained and run-down also in these areas. Overall, both of these neighborhoods are stable and have been seeing reinvestment and appreciation in recent years.

Portland Avenue to Hall Street

There is some residential on this portion of Moreland Avenue, though it is intermixed with commercial development as well. The neighborhoods behind this stretch are East Atlanta to the east and Ormewood Park to the west. The homes in this portion of East Atlanta are a bit smaller than the ones north of Glenwood Avenue, but are relatively well-maintained. The residential in Ormewood Park is predominately single-family and is a sought-after neighborhood that has a primarily renovated, older stock of homes.

⁹ Source: Smart Numbers.

¹⁰ Source: Smart Numbers.

Delaware Avenue to Burns Street

This portion of Moreland Avenue is the most residential of any other portion; it is relatively uninterrupted residential uses in comparison to the rest of the Corridor. The neighborhoods in this area are still Ormewood Park to the west; however, East Atlanta is only one parcel deep to the east. This is the portion of the Corridor to the east that becomes unincorporated DeKalb County. The homes in this portion of Ormewood Park are a bit smaller than the ones to the north. The residential to the east is an older and smaller stock, with mixed results in terms of quality of maintenance.

East Confederate Avenue to Custer Avenue

This portion of Moreland Avenue is commercial in character, primarily retail uses. To the west is the Woodland Hills neighborhood and unincorporated DeKalb County is to the east. The homes in Woodland Hills are older, small, and are at lower price points than much of the housing stock to the north. On both the east and west sides of the Study Area in this portion is new infill townhome development as well.

Custer Avenue to Moreland Drive/Moreland Industrial Drive

This portion of Moreland Avenue is commercial in character, a combination of retail and industrial uses. To the west is the Custer/McDonough/Guice neighborhood and unincorporated DeKalb County is to the east. There is not a lot of residential even off the Corridor in this area. The only residential is really to the west, as the properties to the east are large footprint retail and industrial uses. The housing that is in this area is older, small, and somewhat ill-maintained.

Moreland Drive/Moreland Industrial Drive to Constitution Road

This portion of Moreland Avenue is commercial in character; with a few retail, but mostly industrial uses, and also a significant institutional use. To the west is the Thomasville neighborhood and unincorporated DeKalb County is to the east. Again, there is little to no residential to the east in this portion of the Corridor. There is not significant residential to the west; that which is there is predominately older, small, lower-end housing. Much of the western side is predominated by the Thomasville Heights public housing project.

There have not been any new apartment communities developed within the Study Area in recent years. Most of the apartments within the Study Area are at least 30 years old and have few amenities to offer. The resident profile varies widely, and there is a mix of both market-rate and income-assisted communities. Average monthly rents range from \$400 to \$900. There is a real dearth of new, market-rate, high-quality rental product that is attractive to young urban professionals within the Study Area. However, there are two large-scale apartment developments planned in the Study Area (as noted in next section).

PLANNED RESIDENTIAL

There is a solid quantity of new and planned development in the Study Area that supports the continued trend of increased housing values and densities. In speaking with local developers,

they indicated their belief in the customer as young urban professionals and gay urban professionals, many of which will be newly relocated to Atlanta. They also thought customers would include people looking for new product that already live in an urban, close-in location and want to move out of an older product. Further, many developers cite single female buyers as an increasingly important market component for intown products. Additionally, part of what has guided the resurgence of intown living is the frustration with commute times.

There are two major residential projects under construction within the Study Area, as detailed below.

**Apartments at Moreland Avenue and Interstate 20/Sherwood Street
(North Ormewood Park)**

Currently under construction. 236 apartment units. Approximately 60% one-bedrooms and 40% two-bedrooms. Expected rents at \$1,100 for one-bedrooms and \$1,800 for two-bedrooms. Planned strong link to Glenwood Park, access via Stovall Street. Expected delivery mid-2009.

**Apartments at Moreland Avenue and Faith Avenue
(North Ormewood Park)**

Currently in planning approval process. Approximately 200 apartment units. Approximately 60% one-bedrooms and 40% two-bedrooms. Expected rents at least \$1,000. Expected delivery beginning of 2010.

There has been significant redevelopment just outside of the Study Area in the northern portion of the Corridor. Glenwood Park is a new urbanist redevelopment of an abandoned industrial site. It began construction in 2003; much of the plan has been developed and occupied to date, but it not quite at build-out. The final build-out will include approximately 350 residences of a variety of types, approximately 20,000 square feet of office condominiums, and 50,000 square feet of retail.

There has also been quite a bit of residential infill development, particularly townhomes, just inside and outside the Study Area. Much of this development has occurred in the middle portion of the Corridor, between Eden Avenue and Custer Avenue. Some of these townhome developments include: Village Creek Landing, Eastside Walk, Eastland Village, The Preserve at East Atlanta, The Heights at Grant Park, and Summer Creek Park. Many of these developments are recently completed or have units occupied and are continuing in further phases of development.

Additionally, there is a planned residential redevelopment of significant scale planned for the southern portion of the Corridor. Thomasville Heights is a public housing project under the management of the Atlanta Housing Authority. It was built in 1970 and has a total of 350 units, with approximately 1,200 residents. The Atlanta Housing Authority is planning to complete relocation by beginning of 2009 and conduct demolition by mid-2009. This will be a large site that when redeveloped will have a significant impact on the southern portion of the Study Area.

DEMAND ANALYSIS

It was determined that using new household growth produced from the Study Area itself was the best route for the residential market demand forecast because there is such a high level of residential building activity planned and under construction in and near the Study Area, as listed above. While some consideration was given to the capture of new residents from outside the Study Area, this analysis is not conducted at a level that accurately details the exact target market potential. Thus, there is a very real possibility that these estimates could ultimately underestimate what happens in this market, similar to the residential activity in other rapidly redeveloping intown locations within the City of Atlanta that have outpaced expectations the last few years. The focus should realistically be on the next five years, and then the marketplace should be re-assessed since there could be opportunity to capture more growth as this area continues to redevelop.

ASSUMPTIONS

In order to determine the level of demand for residential product that the Study Area can support, some assumptions had to be made. The addition of 90 households annually was used, based on the combination of forecasts from the Atlanta Regional Commission and Census-based projections. The final determination of 90 households annually is actually about 20% more aggressive than these projections. This difference is based largely on developments already underway and the potential for this area to capture new residents from outside the Study Area. Using only new household growth as a market determination can produce conservative estimates, as demand also comes from turnover within the market. This means there are residents in the Study Area that might move into another location within the Study Area, thus producing a new customer, but not a new household.

Key assumptions were also made about the tenure characteristics and housing preferences. An effort was made to bring them more inline with the market areas. Since the Moreland Avenue corridor is a key commercial artery in the City, the nature of it lends itself to higher density as well as rental housing. It will be a natural shift to bring the ratio of owners and renters in closer balance. The split of 50% owners and 50% renters is characteristic of a redeveloped urban commercial corridor.

Moving forward with assumptions on annual household growth; tenure characteristics (owner versus renter), housing preferences, and residential product trends were then reconciled to produce the final residential demand preferences.

	TENURE PROPORTION		ANNUAL DEMAND		FIVE-YEAR DEMAND		TEN-YEAR DEMAND	
	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH
Single-Family Detached	10%	10%	5	5	23	23	45	45
Single-Family Attached	55%	25%	25	11	124	56	248	113

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	TENURE PROPORTION		ANNUAL DEMAND		FIVE-YEAR DEMAND		TEN-YEAR DEMAND	
	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH
Multi-Family (Condo/Apt)	35%	65%	16	29	79	146	158	293
Total Units			45	45	225	225	450	450
			90		450		900	

These projections are a bit aggressive, making the assumption that mid- to high-density residential will continue to develop. The trend of this type of product diversifying the Corridor is beginning now with the two planned developments mentioned earlier. However, if higher density residential really takes off, it is likely that more demand will continue to be developed for residential product within the Study Area.

RECOMMENDED DEVELOPMENT

The scale of these additions indicates that mid-scale projects of townhomes, condos, or lofts are merited. Particularly since the Study Area is focused on the frontage on Moreland Avenue, additional single-family residential development is not likely and is not recommended. It is more appropriate for the Corridor to become more densified through mid- to high-density residential developments. Additionally, mixed-use developments with commercial uses on the ground floor, and residential above would also fit these forecasts.

The scale and proportion of new multi-family or mixed-use development at least three-stories, and recommended at five-stories fronting the commercial corridor, would be an ideal complement to the character and nature of Moreland Avenue. Townhomes are a more likely fit in the existing predominately residential sections of Moreland Avenue, particularly Portland Avenue to Berne Street and Gracewood Avenue to Confederate Avenue/Skyhaven Road. Townhomes are a good fit amongst the existing single-family residential, much of which will stay at the character and scale it is today. Larger scale apartments, condos, or lofts are more appropriate at key nodes and heavily commercial areas, such as at Interstate 20, Glenwood Avenue, and Custer Avenue.

It is important to keep in mind the value of rental or leased residential space in order to incentivize people to enter an area that might not have achieved total redevelopment. This allows residents to experiment with the experience of urban living through lease options. Urban areas in the midst of redevelopment need to ensure they have quality rental options throughout their area to help people investigate the investment of purchasing in the community. Meanwhile, the residential base increases, as does the total dollars spent within the community.

Regardless, these households will demand infill housing be developed, some spread throughout the Study Area and some in clusters. Infill and new residential development can serve to reinforce the strength and character of existing neighborhoods. More densification of the residential base in the Study Area will help to attract more amenities and services to the area for both development and redevelopment. Further, additional residential product will then help to stabilize and improve market conditions for further office development. As new

projects start, more interest and momentum is developed, thus, it is highly likely that more demand will also be developed for residential product within the Study Area.

Our recommendations revolve around the simple concept of ensuring more choices to appeal to a greater diversity of customers. This will enable life cycle housing, meaning allowing recent college grads with their first job to couples starting families to retirees to live in the same community, and in close proximity to each other. Another important component of housing product diversification in this area would include capitalizing on the trend towards active adult communities. This is ideal for baby boomers that are aging that might desire to be near their children and grandchildren, and still be part of their greater community. Considering assisted living options within these settings would also be advisable for the Study Area as well.

There is a clear consumer preference shift happening in the greater metro residential market, as more and more people want to buy a lifestyle in a neighborhood, not simply a house in a subdivision. Again, by increasing that customer base, it increases the commercial development that will want to make its way into that area based on target market characteristics.

Retail Market Analysis

OVERVIEW

The metro Atlanta retail market suffered from the recession of the 1990s, as did the rest of the nation. It has been making a slow recovery, due in large part to its sprawling boundaries. Given the nature of retail development across such a sizable metropolis, it is feasible for different submarkets to have completely different and isolated experiences within this recovery period. There are certainly many reasons that industry experts are expecting consumer spending and retail leasing activity to slow down, such as increasing gas prices and rising interest rates, among others. However, the metro economy seems to still be creating jobs at at least a moderate rate and wages are still reporting increases in many sectors. Thus, construction of shopping centers is concentrated in fast-growing suburbs, infill sites in mature trade areas, in downtown areas that have had considerable condo construction, and in areas with ethnic concentrations that have growing sales potential. Not surprisingly, upscale and discount retailers are reporting better performance results than middle-market retailers, according to Grubb & Ellis.

During these last few years, retail space in metro Atlanta has continued to grow. Specialty lifestyle centers are a hot and proven product in Atlanta, with examples like Camp Creek Marketplace and The Forum at Peachtree Parkway. More and more retail space is showing up as components of large mixed-use developments, such as Atlantic Station. Not surprisingly, grocery-anchored retail centers and neighborhood centers continue to be solid products in the metro area.

As a whole, the retail market in Atlanta has a total of 8,553 shopping centers, representing approximately 235.9 million square feet, with an 8.4% vacancy rate. The average rent per square foot is \$15.66. The total space can be classified into two categories: shopping centers (69.7%) and general retail (30.3%).¹¹

The Study Area is located within the Decatur/East Atlanta retail submarket.

The Decatur/East Atlanta retail submarket has a total of 458 shopping centers, reflecting approximately 6.6 million square feet of retail space. The vacancy rate in this submarket is one of the lowest in the metro area, at 5.9%, which is a notable positive change from third quarter. The average rent per square foot is \$10.16, which is 35% lower than the metro average. Approximately 445,350 square feet have been delivered in this submarket this year, with another 63,800 square feet under construction currently, according to CoStar.

¹¹ Source: *The Retail Report: Atlanta Retail Market*, CoStar Group, Year-End 2007.

STUDY AREA CHARACTERISTICS

The Study Area has a range of retail types and size. Since Moreland Avenue is a major commercial corridor in the City of Atlanta, it is not surprising that most of the basic resident and employees needs are served in the Study Area. Some of the large-scale retail uses on Moreland Avenue north of Interstate 20 serve many customers in the greater market areas as well.

There are basically three types of retail functionalities at work in any given market.

1. **Convenience** – grocery and drug store purchases, as well as some apparel and home items. Usually purchased close to home, based on available selection. Can also include restaurants.
2. **Regional/Chain** – more likely to be shoppers goods, such as apparel, home items, hobby-related goods, etc., and restaurants. Consumers travel to specific stores based on the consistency of selection and types of goods. The same consistency and familiarity with product is the driving force behind dining out at chain restaurants as well.
3. **Regional/Unique** – most likely shoppers goods and restaurants. Consumers will drive long distances to go to stores and restaurants that provide goods and services unlike anywhere else. This uniqueness can be specific products, the environment/atmosphere, or the ability to go to a place that clusters similar goods and services in a hard-to-find fashion.

In short, having all three types of retail functions within the Primary Market Area helps to keep more money in the local economy by meeting all residents' and workers' consumer needs within one area.

EXISTING RETAIL

The retail market in this area is anchored along the Moreland Avenue corridor. The area is a mix of older properties built prior to 1975 and newer properties that have developed in the last 10 years, as residential gentrification of the surrounding area has occurred. Large-scale new and redeveloped retail has been primarily just north of the Study Area, specifically Edgewood Retail District.

The average age of retail development in the Study Area is 39.6 years, and very few renovations have been done. Most rents are between \$6 and \$12 per square foot; there are a handful of rents in the newer properties between \$25 and \$28; the overall average rent for the Study Area is \$17 per square foot. There is approximately 600,000 square feet of retail space in the Study Area. There are relatively low vacancy rates reported for the active retail sites. Only 2,410 square feet of new retail space has been absorbed in the Study Area year-to-date for December 2007. There are three distinct areas of retail within the Study Area.

Moreland Avenue -- northern portion

The portion of Moreland Avenue discussed here is between Interstate 20 and Eden Avenue. The bulk of retail in the northern portion of the Study Area is centered at the

Interstate 20 interchange and East Atlanta Village. On Moreland Avenue, north of Glenwood Avenue, are predominately fast food establishments, convenience stores, and gas stations. All of this development is geared towards traffic related to Interstate 20 and the commuting corridor that Moreland Avenue is for southern and eastern Atlanta. There is existing commercial, mainly vacant or with tertiary tenants, at the Glenwood Avenue node. Between Portland Avenue and Ormewood Avenue, the Corridor changes to predominately residential in nature.

East Atlanta Village is a neighborhood-scale commercial node that is just off Moreland Avenue to the east, running from basically McPherson Avenue to May Avenue. East Atlanta Village has been a stable neighborhood node, but has really experienced significantly increased occupancies and renovations in the last few years.

There is a relatively recently redeveloped commercial node at Ormewood Avenue. Ormewood Square is a retail development that made a significant change at this intersection. It is a collection of tenants that provide services to several of the surrounding neighborhoods. It is of a nature, character, and scale that most residents in the area are very pleased with and would like to see more of. Directly across the street is a new live/work loft townhome development. The two northern sides of the intersection have yet to be redeveloped, and house a convenience store, tax accounting service, and auto service businesses. There are a few more isolated businesses between Ormewood Avenue and Delaware Avenue, but the Corridor notably changes to exclusively residential in character.

Moreland Avenue -- middle portion

The portion of Moreland Avenue discussed here is between Eden Avenue and Custer Avenue. As one travels the Corridor headed south, it seems that commercial development is no longer present and it becomes single-family residential. However, that abruptly changes again at the Confederate Avenue/Skyhaven Road intersection. The Ripplewater Shopping Center was built in 2002. This 62,000 square foot center is anchored by Kroger and reports higher than average rental rates than other stores in the area. There is a very recently completed Burger King built as an outparcel. This shopping center is an anomaly in comparison to the surrounding retail. There are free-standing retail establishments, as well as shopping centers that have low-end tenants and many vacancies.

Moreland Avenue -- southern portion

The portion of Moreland Avenue discussed here is between Custer Avenue and Constitution Road. The Moreland Plaza is a significant retail development in this portion of the Study Area. It is a 250,000 square foot shopping center that is almost 50 years old; it is 95% occupied. The types of commercial uses located here seem to be predominated by what can be termed tertiary tier retail uses; simply put, these are not premier businesses, marquee services or national tenants. Most likely this has occurred over time, as uses geared towards the lower-income residents that have historically lived in this area have not “caught up with” the consumer preferences of the newer residents in the area.

However, there is new development across from the Moreland Plaza. A CVS and an Aldi have gone in. There is also a small vacant strip center space that has been built along with these two stores; it is not occupied to date. There is a Wachovia that is planned for the site as well. While this new development is encouraging, it is worth noting that Aldi is a discount grocer and CVS, because it deals in necessities and pharmaceuticals, can do business in any type of community. The new development does not reflect any changes in the way that developers and brokers are viewing the local market.

The location of retail on this corridor makes economic sense, as it is a transition zone and a major thoroughfare with easy access to downtown and Interstate 20. The Corridor should remain commercial, but the tenant mix needs to be upgraded and diversified. While there are many tertiary tenants, the occupancy rates are relatively high for the Study Area, thus, there are very few plans for rehabilitation of older properties currently. As residential development and redevelopment in the greater area continues, the Study Area seems to be ripe for retail redevelopment. According to owners and property managers in the area, there have been some local companies looking in the Study Area to attempt to put some assemblages together. However, the process has been hampered by the large number of small lots and multiple owners. Land costs are also driving developers to look more at mixed use developments.

PLANNED RETAIL

There is no significant retail planned and/or approved for the Study Area currently.

DEMAND ANALYSIS

Demand analysis was conducted in relation to two types of retail development: neighborhood serving and community serving. Neighborhood serving retail usually includes convenience goods and personal services for day-to-day needs of the immediate area. Community serving retail serves a larger area, and provides a wider variety of shops, making merchandise available in a greater array of styles and prices, as well as providing convenience goods and personal services.

ASSUMPTIONS

In order to determine the amount of retail space that the Study Area can support, some assumptions had to be made. Demand analysis used the Study Area for the neighborhood serving retail population base; the Primary Market Area was used for the community serving retail population base, and then the proportion the Study Area could realistically support was determined. The addition of new households computed earlier using the combination of forecasts from the Atlanta Regional Commission and Census-based projections with some additional capture was also utilized here. This growth was then used in calculating supportable retail space by reviewing potential retail sales for the areas and estimating target sales per square feet based on national trends.

**SOUTH MORELAND AVENUE LCI STUDY
DRAFT ECONOMIC AND MARKET ANALYSIS**

A total of approximately 144,950 square feet of retail space is supportable in the Study Area currently. A breakdown of the components of this total is shown in the table below, as well as projections for five-year demand. Convenience Goods are primarily grocery store and drug store purchases. Shopper Goods are the balance of retail items, such as apparel, home furnishings, hobby-related goods, etc. Food and Beverage is primarily restaurants.

	Convenience Goods	Shoppers Goods	Food & Beverage	<i>Total Retail</i>	
	Existing	Existing	Existing	<i>Existing</i>	<i>Five-Year</i>
Neighborhood Serving	14,130	34,650	20,785	<i>69,565</i>	<i>79,000</i>
Community Serving	14,580	43,490	17,315	<i>75,385</i>	<i>80,600</i>
Totals	28,710	78,140	38,100	<i>144,950</i>	<i>159,600</i>

The table above shows isolated increments of retail demand for the time periods shown; which means there will be demand for approximately 300,000 square feet of retail space in five years. Now, this might seem counter-intuitive at first glance, but supply and demand is not a simple mathematical equation that can be reconciled by considering only the absolute numbers. Instead, it is a study of market dynamics, including customer preferences, quality of retail space, product selection, and location. So, while there is a considerable amount of existing retail space in the Study Area, it is not all competitive stock based on its configuration, quality, and location.

Retail demand is directly related to residential development. Since an aggressive assumption was used to project for mid- to high-density residential in the Corridor, this will have a significant impact on increasing retail demand in the Study Area. There is also an important distinction between neighborhood serving and community serving retail demand. Neighborhood serving is considering just the Study Area to trend demand off of and community serving retail contemplates the potential capture from the Primary Market Area, which is a five-minute drive time in this case. As seen in the table above, in five years the Study Area will provide retail demand for approximately 148,000 square feet. The balance of the 300,000 square foot total demand is from assuming the capture of some of the approximately 44,000 people that are found in the five-minute drive time. If significant retail development was completed elsewhere within the geography of the five-minute drive time, then the Study Area would not be able to capture as much of this demand as shown here. However, Moreland Avenue is well-positioned to capture retail demand from the Primary Market Area since it is a significant commercial corridor in the City of Atlanta.

The Study Area can support additional retail space with distinct consideration of the kind of space it is; it would necessitate redevelopment of existing shopping centers, the addition of tenants in now-empty space, and increasing the diversity of product and services selection. It is important to keep in mind that of the approximately 600,000 square feet of retail space in the Study Area, about 400,000 square feet was built prior to 1970 (and 75% of that was built before 1960) and has not been renovated. Therefore, while retail demand over five years might reach 300,000 square feet, it does not suggest that the new total square feet of retail in the Study Area would be approximately 900,000. Rather, the retail demand in the Study Area will spur much redevelopment of existing space to occur. Much of the retail on the ground in the

Study Area has not kept up-to-date with changing consumer preferences, and thus, provides notable opportunity for retail demand to pressure retail redevelopment.

RECOMMENDED DEVELOPMENT

Whenever an area is experiencing redevelopment, there should be a concentrated effort and focus on what to redevelop first in an effort to leverage market pressure to force or spur further redevelopment. Many times, what is seen as an easy fix is just that. Oftentimes that is the strategic project to go after, and other times, you may actually want to spend your resources by increasing the value of space that needs more improvement, because the natural market forces will kick in to spur the redevelopment of the “easy fixes.” It really is a strategic balance that must be achieved and considered.

The Study Area has reasonable access to Convenience Retail and the market areas have a moderate level of Regional/Chain retail in reasonable proximity. There is Regional/Unique retail in the Study Area in East Atlanta Village and the nearby Glenwood Park. This is about creating retail that increases the choices that people have both inside the Study Area and outside.

The Glenwood Avenue and Moreland Avenue intersection is a key one for retail redevelopment in the Study Area. Most of the properties around this intersection are vacant or under-utilized. While all the redevelopment that should transpire at this node will not be exclusively retail, it will likely be and should be mixed use; this will be a key opportunity to link East Atlanta Village and Glenwood Park across Moreland Avenue. A similar opportunity is found at the Ormewood Avenue node. While two sides have been redeveloped, the northern two sites at this intersection are also in great need of redevelopment. A combination of professional services, restaurants, and convenience services would be the best use of the kind of retail space at both of these nodes.

As retail space is created and upgraded in the northern portion of the Study Area, along with small-scale retail added in new mixed use developments along the Corridor and in East Atlanta Village, there should follow a natural shift in upgrading the mix of retail and service businesses in the middle and southern portions of the Corridor. Further, in the longer term, as more rooftops (particularly at mid- and high-levels of density) are added to the Study Area and Primary Market Area, opportunities for retail expansion will increase as well.

In revitalization efforts, it is imperative to remember the economics of retail redevelopment. Many building owners are able to achieve a positive cash flow on their properties with discount and low-end tenants. Many times the cost of capital improvements or demolition far outweigh the possibility of increased profit margins from higher-end tenants. In order to spur redevelopment, the potential for increased profits must be documented and usually some sort of incentive, such as a tax allocation district or façade improvement grant or landscaping assistance, needs to be offered to help bear the improvement costs.

Office Market Analysis

OVERVIEW

The metro Atlanta office market is undergoing a recovery that is long due. The last two years have brought improvement in terms of net absorption, vacancy, and subleases. Over the course of 2007 that trend has continued, with lease rates increasing, vacancy rates stabilizing, and sublease space steadily going down. The fourth quarter of 2007 marks the fourteenth consecutive quarter of positive growth in the Atlanta office market. While Atlanta seems to be in an expansion mode for office, there is still a significant proportion of vacant space on the market.

The overall Atlanta office market has continued to absorb large amounts of space throughout 2006 and 2007, according to data from CoStar.¹² Net absorption for the overall Atlanta market was over four million square feet in 2006. However, the rate of absorption has begun to slow somewhat in 2007. Over the course of 2007, the market absorbed slightly more than three million square feet. In addition, there is approximately six million square feet under construction.

The market recovery is certainly more gradual than many past cycles. Some question how accurately a comparison can be made with the record low vacancy rates that occurred seven years ago in metro Atlanta as a result of the technology boom. There is an expectation that supply will outweigh demand as more new construction continues. However, job growth is expected to continue, and as that happens, rents should remain stable as concessions decline. In fact, Forbes ranked Atlanta as the third best city in the nation for young professionals, which speaks to the area's young and well educated workforce. The office market is clearly tightening; the brokerage community's confidence levels are up and activity is not showing any signs of slowing down, according to Grubb & Ellis.

The Atlanta office market has 9,255 buildings, comprising about 254.5 million square feet. The average rental rate is \$20.06 per square foot, and the vacancy rate is at 13.8%. The total space can be classified into three categories: Class A (40.4%), Class B (44.2%), and Class C (15.3%).¹³

The Study Area is located within the Decatur office submarket.

The Decatur office submarket has 349 buildings, comprising about 6.3 million square feet. The average rental rate is slightly above the metro average, at \$20.91 per square foot and among the highest 25% across the metro area. The vacancy rate is 5.7%, well under the metro average and among the lowest across the metro area. Approximately 79,000 square feet have been delivered in this submarket this year, and no office space is currently under construction, according to CoStar.

¹² Source: *The CoStar Office Report: Atlanta Office Market*, CoStar Group, Year-End 2007.

¹³ Source: *The CoStar Office Report: Atlanta Office Market*, CoStar Group, Year-End 2007.

STUDY AREA CHARACTERISTICS

There is not any significant office development within the Study Area. Of the office space that is in the Study Area, most is housed in free-standing buildings or in former single-family residential buildings. There are no multi-tenant, multi-story office buildings. When considering the greater market area, there is not what could be characterized as a significant office market. However, there are some changes occurring now related to small-scale office uses.

EXISTING OFFICE

The small proportion of office space that is located in the Study Area is located directly on Moreland Avenue. The bulk of the office located in the Study Area is small-scale. The average age of office development in the Study Area is 36.6 years, and very few renovations have been done. Rents range between \$15 and \$28 per square foot, with the overall average rent for the Study Area is \$18 per square foot. There is approximately 82,000 square feet of office space in the Study Area. There are high vacancy rates reported for the active office properties. There was actually negative absorption reported for the Study Area year-to-date for December 2007. This means property has sat vacant and not become occupied; a negative absorption of -9,670 square feet.

However, the reported numbers related to vacancy rate and absorption also reflect the questionable quality that has been coming to the Study Area in terms of office space. As times changed and lanes widened on Moreland Avenue, some single-family homes transitioned to business uses. Most offices along the Corridor are located in these former homes, and many of these renovations are not of a high quality. Further, there are a few storefront-type offices, rather than free-standing office buildings. The newer space and the well-kept and managed space have done well in the Study Area.

PLANNED OFFICE

There is no planned or approved speculative office space within the Study Area currently.

DEMAND ANALYSIS

In order to determine the amount of small-scale, local-serving office uses that the Study Area can support, some assumptions had to be made.

ASSUMPTIONS

Demand analysis was actually conducted on the Primary Market Area and then the capture rate of the Study Area was determined. The addition of new households computed earlier using the combination of forecasts from the Atlanta Regional Commission and Census-based projections with some additional capture was also utilized here, with an assumption that office employment has a ratio of about 0.020 to total population, which is based on national averages. Further, office employment was then translated to square footage based on a ratio of 275

square feet to each employee, again based on national averages. Finally, a capture rate of the Primary Market Area was determined to be 40%.

Existing Demand	Five-Year Demand	Ten-Year Demand
22,000 SF	79,000 SF	64,000 SF

The table above shows isolated increments of office demand for the time periods shown. Small-scale, local-serving office uses are supported by those seeking office locations close to home, those that require clients to visit them and find their customer base within a residential community, and those that seek convenient regional access. The Study Area is well-positioned to support this type of office development. The access to Interstate 20, large concentration of retail services, and close proximity to downtown Atlanta form an unusual group of assets, that when grouped together become competitive advantage.

Interestingly, office space is actually one of the most difficult land uses to recruit. There are stringent requirements for access, amenities, location, and agglomeration that are used as guidelines. This basically means that office begets office; office is a use that most often clusters together. As alluded to earlier, the trend sequence is usually that residential helps to lead to retail that in turn helps to beget office.

RECOMMENDED DEVELOPMENT

As redevelopment in the Study Area occurs, and opportunities are provided for the residential base to increase, the demand for office space will most likely continue to increase over this timeframe based on the characteristics of the residents in the area.

Using the existing retail destination of East Atlanta Village, and the strength of the mixed use development at Glenwood Park, as a strong and attractive foundation, would allow the pursuit of small-scale, local-serving office uses. The business condominium sales in Brasfield Overlook in Glenwood Park have done well, with only two of fifteen units left for sale. The strong residential base of the Study Area could also be leveraged to attract people that currently work from a home office into more formal space that meets their needs and is affordable. The trend being seen in many parts of the metro area of shared meeting and conference space, as well as administrative support in a single building, would be a good fit in the Study Area. It would be best to pursue offices scattered throughout the Study Area as part of mixed-use developments. Targeting professional services that need small spaces, and do not necessarily need storefronts would be a good fit.

Another consideration is the new trend that is being witnessed across the nation and in nearby burgeoning urban office submarkets, such as Midtown West and Decatur, the combination of live and work space, often developed as flex space. This would be a solid direction for a portion of the office space development in the Study Area to pursue. Concentrating these options within the townhome developments recommended along Moreland Avenue could work.

As redevelopment happens, there will be a greater level of amenities in the area as well, which certainly can be leveraged as a positive characteristic for continued office development. A

higher level of amenities in the Study Area will also help to promote a diversified tenant base, and help to increase demand for different types and higher classes of office product.

Industrial Market Analysis

OVERVIEW

Much like the office market, the industrial market in metro Atlanta has been making a slow recovery over the last few years, inching towards its peak seen during the 1990s. The fourth quarter of 2007 marks the fourteenth consecutive quarter of positive growth in the Atlanta industrial market. Net absorption continues to be positive and rental rates continue to increase. Vacancy rates have been relatively stable over the last two years. The pace of construction starts has also slowed, indicating that developers are cautious about the likelihood of over supply.

As is well-known, Atlanta has many characteristics that have made it the southeastern hub for transportation, distribution and logistics, such as interstate highways, rail lines, and the airport. For all these reasons, metro Atlanta is still a strong location choice for industry. The industrial market is expected to continue to experience a strong recovery, but at a more subdued pace as over-supply is a risk as new development is completed. New construction is expected to be focused in outlying distribution corridors throughout the metro area; especially in the Northeast corridor. The trend of industrial firms consolidating into larger and more modern facilities is projected to continue, as companies find it more convenient to put all operations under one roof, according to Grubb & Ellis.

The Atlanta industrial market has 11,264 buildings and about 593.2 million square feet. The average rental rate is \$4.24 per square foot. The vacancy rate averages to 11.2% for the metro market as a whole. The total space can be split into two dominant sub-types: Flex (10.8%) and Warehouse (90.2%).¹⁴

The Study Area is located within the Central Atlanta industrial submarket.

The Central Atlanta industrial submarket has 512 buildings, comprising about 19.2 million square feet. The average rental rate is well above the metro average, at \$5.99 per square foot. The vacancy rate is 5.5%, which is well below the metro average. No additional industrial space has been delivered in this submarket this year, and no industrial space is currently under construction, according to CoStar. This submarket is the one area of Atlanta that has experienced a decline in the amount of available space, as land costs have put pressure to convert this space to other uses.

STUDY AREA CHARACTERISTICS

There is not a significant amount of industrial development within the Study Area. There are only a handful of industrial properties in the southern-most portion of the Corridor. The impression can be artificially strong of the industrial nature of this portion of the Study Area, since these sites are quite large even though they are not numerous. The other contributing

¹⁴ Source: *The CoStar Industrial Report: Atlanta Industrial Market*, CoStar Group, Year-End 2007.

factor to this impression is that the industrial sites that are included in the Study Area are actually the beginning of a change in development character in the Corridor to industrial that remains southward to and past Interstate 285.

EXISTING INDUSTRIAL

Most of the industrial that is in the Study Area has been there several decades. The industrial businesses in the Study Area are not considered heavy industrial; they are more geared towards logistics and distribution services. The bulk of the industrial uses in the Study Area are south of Custer Avenue. The average age of industrial development in the Study Area is 50.4 years, and very few renovations have been done. Rents average between \$5 and \$6 per square foot. There is approximately 600,000 square feet of industrial space in the Study Area. There are relatively low vacancy rates reported for the active industrial properties. There was no square feet absorbed for the Study Area year-to-date for December 2007. This is because there has been no new space to come onto the market through turnover or new construction. In fact, due to the rising land values and the continuing redevelopment in the northern and mid-portions of the Corridor, industrial uses are starting to get market pressure to move.

PLANNED INDUSTRIAL

There is no planned or approved industrial space within the Study Area currently.

DEMAND ANALYSIS

There does not seem to be discernable demand for additional industrial space within the Study Area in the near-term; meaning that the industrial in the area is not pressuring on the residential or retail to change to industrial uses. The active industrial uses in the area will most likely remain. The active industrial uses provide a strong contribution to the job base for the area. As noted in the Study Area Population and Employment Overview section, the Study Area has a concentration of Wholesale Trade jobs (10%) that is twice the concentration found in metro Atlanta as a whole. This is important to note since these are high-paying and high-skilled jobs. The industrial uses that are located in the Corridor are what provide these jobs.

Some of the industrial in the Study Area are lower tier industrial uses, such as truck storage facilities. These sites would certainly benefit the Corridor if they were upgraded to more economically contributing industrial uses, and were a business type within the Wholesale Trade sector. This location of industrial, in close proximity to I-285, could provide viable competition for upgraded industrial uses. While much of the storage- and warehousing-related facilities across the metro area are moving further and further out, there is still industrial that prefers the locational advantage, including the access that closer-in locations provide.

There has also been success in re-use of former warehousing sites for commercial loft and flex space across intown Atlanta, such as Hamilton Avenue in Grant Park and several examples located in Midtown West. This type of re-use could also be a good fit here in a select few locations in this area of the Corridor.

What would be ideal in this area of the Study Area is to preserve the industrial land that does exist and upgrade some of the individual sites and businesses. Given the character of the surrounding development to the industrial in the southern portion of the Corridor, it is highly unlikely that redevelopment pressure will be exerted on these sites. DeKalb County undertaking a targeted recruitment and attraction campaign is highly recommended to focus on upgrading the storage-oriented industrial sites in the Study Area.

Catalyst Projects

There are many projects and initiatives that can be undertaken in efforts to improve upon the assets of the South Moreland LCI Study Area and continue redevelopment efforts in their infancy. But, it is important to strategically use public resources to leverage private investments. There are some projects that, when begun, can send the message to private developers, future residents, brokers and realtors, future businesses and existing area residents and workers that something is *really happening* in the Study Area. The problem continually cited with developing plans and studies is that they sit on the shelf.

With that said, the projects suggested below should be viewed as the key projects that need to be priorities for the City of Atlanta in relation to the Study Area. These projects have the ability to set the Study Area apart, define its character, help it to become a destination and continue positive economic trends. Some are new developments that will be long-term efforts and some are leveraging existing assets to their fullest potential. Regardless of the horizon or development timeline, action must be taken today to get these projects underway. Again, there are a multitude of projects and programs that can help to move the Study Area forward, the projects below were selected based on market conditions, stakeholder interviews, potential to spur continued development, and leveraging strategic public investments.

REDEVELOPED NODE AS NEW NORTHERN ANCHOR

One of the key intersections in the Study Area is Glenwood Avenue at Moreland Avenue; it is basically the northern anchor of Moreland Avenue south of Interstate 20. As mentioned previously, immediately south of Interstate 20 are convenience services, such as fast food and gas stations. There is the beginning of change in this character with the new apartment developments that are coming in on the western side of Moreland Avenue, between Interstate 20 and Faith Avenue. While these signs of redevelopment are significant, fast food chains are usually among the last sites to redevelop in an area if they are doing good business, which these are. Thus, it becomes absolutely imperative that this key node, Glenwood at Moreland, in the Study Area provide a strong identity for the Study Area at the northern end.

Glenwood Avenue is so critical because to the east it connects to East Atlanta Village, and to the west, it provides the connection to Glenwood Park. If one was on Moreland Avenue today, you would not suspect that these key destinations were just off this intersection. The southwest corner is occupied by a large vacant and run-down multi-story building, parking lot, and a discount take-out food business. On the southeast corner is a large church. On the northeast corner is an older and non-renovated tire shop. On the northwest corner is a check cashing business, a phone store, a discount take-out food business, and two vacant parcels. This intersection would be easy to pass right through on Moreland Avenue without a hint of what was just beyond. Because of these connections to such strong destinations off the Corridor, the Glenwood intersection has significant opportunity to provide a distinct and different identity to the Study Area.

Ideally, the three redevelopable corners will form a new anchor and identity via mixed use development. Infill mixed use development with retail space, housing, and open space would be a substantial catalyst to re-ignite this area. The mixed use development should provide residential integrated with both retail and office uses. Developing infill mixed use projects in this area would serve to meet demand for increased residential density, with heights most likely being able to be at least three- and likely five-stories. It would also provide opportunity for retail that could bridge the character and scale between East Atlanta Village and Glenwood Park. What would be appropriate on Moreland Avenue would be different in scale and character with what works off Moreland Avenue.

Related to this suggestion of concentrating redevelopment at this node in the northern end of the Corridor is the likely flow of redevelopment throughout the Study Area. There have been questions about a single large parcel redevelopment as an anchor destination in the southern end of the Corridor. There are certainly large footprint sites and a fair number of them in the southern portion of the Corridor, basically Custer Avenue and southward. However, due to both the demographic composition of the southern end and the somewhat sporadic redevelopment in the northern end to date, it is highly unlikely that an isolated large-scale redevelopment of a site in the southern end would occur prior to further success in redevelopment in the northern end. There will be eventual market pressure in the southern end, but there is still a ways to go in the northern end before enough strides have been made to spur interest in the southern end.

MID- TO HIGH-DENSITY RESIDENTIAL INFILL

Moreland Avenue is currently a corridor in transition. The changes over the last few decades have resulted in changes in the customer base; many of these changes have resulted in vacant buildings and run-down properties that have not been responsive to these market changes. The beginnings of changes toward multi-family development in the Corridor, such as the two projects closer to Interstate 20, are being seen now. It is highly recommended that this trend not only continue, but is encouraged.

Four- to five-story buildings would be merited here, with a tiered effect recommended so that the portion of the buildings facing the single-family properties behind are no higher than three stories. It is important to clearly state that four- to five-story buildings would not be recommended throughout the Study Area, but instead concentrated directly on Moreland Avenue, where a slight increase in density is not only appropriate, but merited and supportable. Additionally, it is clear that residents in the area support and desire mixed-income developments that help to ensure that people that work in the area are also able to live in the area, also helping to guarantee continued diversity in the community.

It would be appropriate for the City to pro-actively change the land use of the properties fronting Moreland Avenue, particularly between Interstate 20 and Ormewood Avenue, to that which allows mid- to high-density residential and mixed use development. It is appropriate to place multi-family development along this commuting and commercial corridor to serve as a buffer and transition zone to the single-family neighborhoods. Further, townhomes are supportable by the market and would be particularly appropriate between Glenwood Avenue

and Custer Avenue. Townhomes are also an accepted and known product that can help bridge the gap between single-family and commercial. They are a variable product type because they will provide a comparable scale that can help to transition to the surrounding single-family residential nearby. This recommendation does not mean mid- to high-density residential should replace all of the existing single-family homes on Moreland Avenue; it simply means that as market pressure is exerted on some of the single-family, townhomes will make sense to be interspersed in these existing residential sections.

Additionally, a configuration that allows live/work in a portion of the development would be ideal. It would also be complimentary to allow mixed use development to encourage restaurants or convenience services within walking distance of residents in existing neighborhoods as well.

RETAIL PRUNING

Much of the strip center development along Moreland Avenue, particularly in the southern portion, is ripe for redevelopment. It is important to make room for new businesses, just as it is important to make room for new residents. Retail pruning is going to be critically important along the Corridor in the future. This basically means that having a whole lot of low-quality space is actually worse than having less space, but of higher quality. Secondary and tertiary retail uses can overwhelm the marketplace and discourage the interest of developers and potential merchants. Developing a diversity of retail uses is important to the long-term success of the corridor, encouraging the redevelopment of key aging commercial centers will allow new commercial uses in the corridor that can serve as catalysts for area-wide reinvestment.

A critical component in redevelopment in relation to retail is to ensure that existing retail is successful and sustainable; it is better to have fewer tenants or lower total square footage and have it be quality and the kind consumers want, than filling up existing shopping centers with discount, low-quality, or under-performing retailers. In the near-term, the shopping centers should improve their existing façades and diversify their tenant mix. But, since retail structures have short lifecycles, and often need significant investment in order to just stay competitive, it is highly likely that some portions of the existing structures would need to be demolished and redeveloped in new footprints. Some configuration that mirrors newer retail development trends, with a central strip center that is closely bordered by adjacent outparcels connected by sidewalks, and including significant landscaping, shade trees and public benches, would be recommended at a minimum.

Throughout the Study Area, but more so in the mid- and northern portions, it is also crucial to improve the existing building stock. The space is not competitive, and thus, is not attracting new tenants. Incentives must be provided to property owners to make improvements to their buildings, both inside and outside. Upgraded product will help to attract new investment. A greater quantity of truly competitive space is needed to help recruit new tenants and encourage existing tenants to continue to invest in their properties. Clean-up and maintenance are simple items that make a quick and lasting visual impact to potential developers, business owners, and residents when they visit the Study Area.

LONG-TERM REDEVELOPMENT IN SOUTHERN END OF CORRIDOR

As mentioned earlier, in relation to the new northern anchor node, there is a lot of community support for redevelopment in the southern end of the Corridor. Specifically Custer Avenue southward does have several large footprint commercial sites that are seemingly ripe for redevelopment. Many of these shopping centers house tertiary tenants. However, these centers also experience high occupancy rates. While there is community support for large-scale redevelopment, there is not significant market pressure yet in this section of the Corridor. It is imperative that more successful redevelopment occur immediately south of Interstate 20 before a leap is made to the southern most end of the Corridor for redevelopment. Further south of the Study Area is predominately industrial properties that certainly are not exerting redevelopment market pressure. There is a break in the development nature of the Corridor in the mid-section that does not provide a consistent experience throughout the Study Area. And, while the northern end of the Corridor is currently strong in comparison to the south, neither performs as well as many of the relevant market dynamics along Moreland Avenue north of Interstate 20. It is always important to consider redevelopment opportunities within a spectrum of relativity.

To provide a very basic demographic comparison, we have divided the Corridor into three sections for illustration and comparison.

	North	Mid	South
Population 2007	4,251	2,062	3,093
Population 2012	4,732	2,211	3,230
Pop. Change 00-07	21.8%	14.0%	8.2%
Pop. Change 07-12	11.3%	7.2%	4.4%
Per Capita Income	\$26,926	\$21,662	\$8,829
Average Household Income	\$64,316	\$59,699	\$29,723
Households 2007	1,766	741	919
Households 2012	1,994	802	971
HH Change 00-07	24.3%	15.6%	9.9%
HH Change 07-12	12.9%	8.2%	5.7%

As can easily be seen in the table above, the southern portion of the Corridor ranks second in size, but last in terms of growth rates. Further the income statistics are startling. The Corridor already under-performs in comparison to the nation and the metro Atlanta area, as cited in detail in the *Socioeconomic Analysis* section. But, the southern portion of the Corridor's average household income only equals 45% of the national average and 39% of the national average. The southern end of the Corridor equates to 55% of the average household income of the

Corridor as a whole. While this is a single statistic as an example, it speaks volumes in terms of the diverse market dynamics at play in the Study Area. The northern end of the Study Area is in a much stronger position in terms of attracting redevelopment and sustaining it. The stronger the northern portion performs, the more eventual pressure will be put on the rest of the Study Area to also redevelop.

The fact that the existing retail in the southern end does not have extreme vacancies speaks to the fact that these businesses are getting enough customers for them to stay in business. Further, while the CVS and Aldi are new development at the Custer Avenue intersection, they do not speak to any recognition or expectation of customer changes. Aldi is a discount grocer and CVS provides goods and services that are categorized as necessities, and thus, needed in any community, regardless of income. These brand new businesses speak to the market demographics currently in the area. They serve lower income customers and these businesses and the developer made assessments that these businesses would do well in this portion of the Corridor based on current customer profile.

The reality of timing for redevelopment in the southern end of the Corridor is going to be largely affected by the redevelopment plans of the Atlanta Housing Authority for Thomasville Heights. This 350-unit public housing project was built over 35 years ago. Because of the size of this development, the historic adjacency of industrial/distribution uses, and the relative proximity of the Atlanta Federal Penitentiary, there is also a large proportion of low-income subsidized housing in the area. This helps to explain the significant disparity between the income statistics when considering the Corridor in three sections. The Atlanta Housing Authority's plans for redevelopment anticipate a demolition completion in the beginning of 2009. It is highly likely that many developers and speculative investors will wait until demolition is complete and redevelopment plans are confirmed for this housing project before undertaking any major assemblage deals or redevelopment projects. There will be eventual market pressure in the southern end of the Corridor; it is inevitable. But, the timeline for that redevelopment is at best five years away, and is more likely closer to a timeline of ten years. That does not make redevelopment impossible before that time; it just makes it more risky and less likely.

DIVERSIFY MIX

The need for diversification in the Study Area stems from several issues. There is the need to diversify housing types, as previously discussed. There is the need to create more diversity in the uses in fronting Moreland Avenue in particular. There is a need to diversify the types of businesses in the Study Area. There is a need to put both residential and commercial product in place that will help to create more diversification in the composition of residents in the Study Area.

For instance, there is a significant proportion of auto-oriented businesses in the Study Area. While these businesses provide needed services, the number of them is out of balance with the size of the community they serve. Additionally, they are not usually housed in the most attractive buildings and are uses that have a strong, many times negative, visual impact in the community.

While the Study Area's employment concentration is in the Retail Trade and Services sectors, which mirrors the Atlanta MSA, there is still a need for continued expansion. The key to a sound economic base is diversity in order to ensure the consistency and stability in the face of fluctuations in the economy. The key to sustainable development is a diversity of goods and services to appeal to the widest customer base feasible. It is critically important to expand the types and sizes of businesses in the Study Area in an effort to achieve long-term sustainability. Additionally, keeping retail centralized in a district helps to bring more customers as it becomes a destination unto itself. The localized competition begins to help all stores, even those that might be carrying similar products, as customers spend more time, and thus more money, in the immediate area.

Economic Development Recommendations

A community's competitiveness is an increasingly large part of economic development. It really depends on the capacity of a community to adjust to continual change and its leadership's ability to form partnerships. The Study Area is facing a situation many communities have faced before, and many more will in the future. Once the analysis is done, the next step is figuring out how to make it all *actually* happen. Our general recommendations for economic development include the following.

- **Review zoning requirements.** Parking requirements and building height restrictions, due to transitional height planes, were cited as problematic by local developers. These requirements should be reviewed to ensure that the types of development desired in the area are not being prohibited or disincentivized. One of the largest problems in the Study Area in terms of redevelopment is the economic and development challenges related to the parcel sizes and shapes along Moreland Avenue.
- **Workforce development facility.** Locating a training/workforce development facility in the southern end of the Corridor would be a great asset for the entire area. Given the socioeconomic profile, in particular the educational attainment and income levels, it is imperative that some sort of non-profit or public sector entity begin to provide ongoing workforce development training in the area. It will be difficult to alter the market dynamics in the area without more education to enable residents to become more economically competitive and productive.
- **Re-use of landfill.** There is an active landfill and a capped landfill in the southern portion of the Study Area. While there is a set length of time that must pass before a passive use can be put on a capped landfill, there is strong potential for the capped landfill in the Study Area to become a revenue producing development. There has been success in re-using landfills for mountain biking courses and trails and it would be an appropriate re-use here.
- **Expand greenways and greenspace.** There are several parks in and near the Study Area. However, greenspace is not consistent throughout the area. It is particularly lacking in the southern portion of the Corridor. These investments pay high dividends in a community and increase adjacent property values as well.
- **Starlight Six Drive-In.** Many stakeholders in the Study Area have strong positive feelings about the Drive-In and its history in the community. It is clearly a destination to be able to be actively in business, showing first-run movies and also having events such as flea markets during weekend mornings. The redevelopment potential surrounding the Drive-In is largely dependent on the market dynamics in the southern portion of the corridor, as detailed in the previous section. Until the customer profile in the immediate area changes, the Drive-In alone does not produce enough business to spur neighboring redevelopment. What is critical is for the business to stay active as it is now until neighboring market dynamics begin to change.

Appendix

Below are definitions/references that are used throughout this document and in the subsequent detailed tables and charts found in this section.

Study Area – The Study Area is one-quarter mile deep on each side of Moreland Avenue from Interstate 20 to Constitution Road.

Primary Market Area – defined by a 5-minute drive time from the intersection of Moreland Avenue and Custer Avenue.

Secondary Market Area – defined by a 10-minute drive time from the intersection of Moreland Avenue and Custer Avenue.

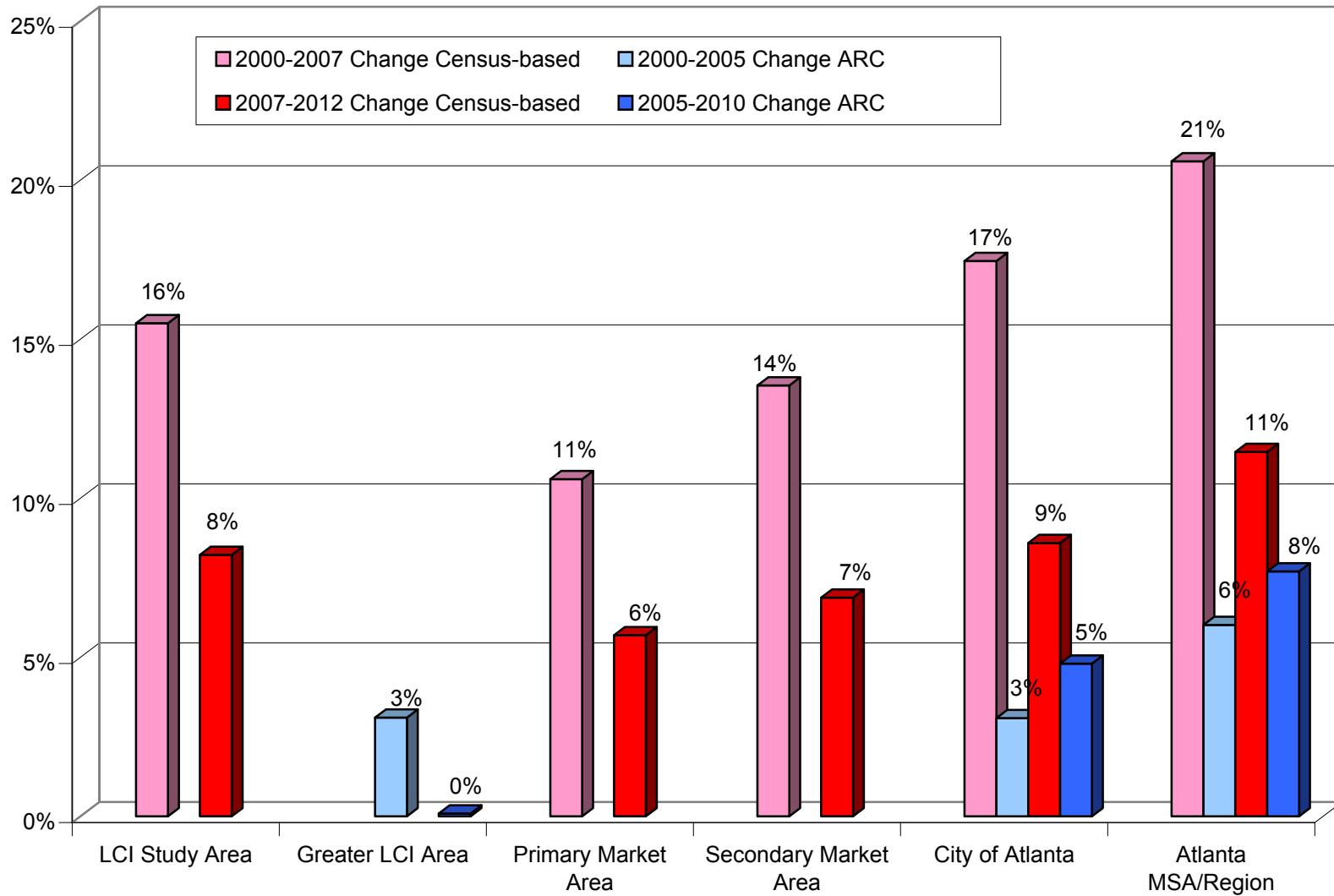
Atlanta Region – Atlanta Regional Commission’s 13-county jurisdiction, made up of Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding, and Rockdale counties.

Atlanta MSA – 20-county metropolitan statistical area, made up of Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton counties.

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**Population Change, 2000-2012
Comparison of Census-Based and Atlanta Regional Commission Forecasts**

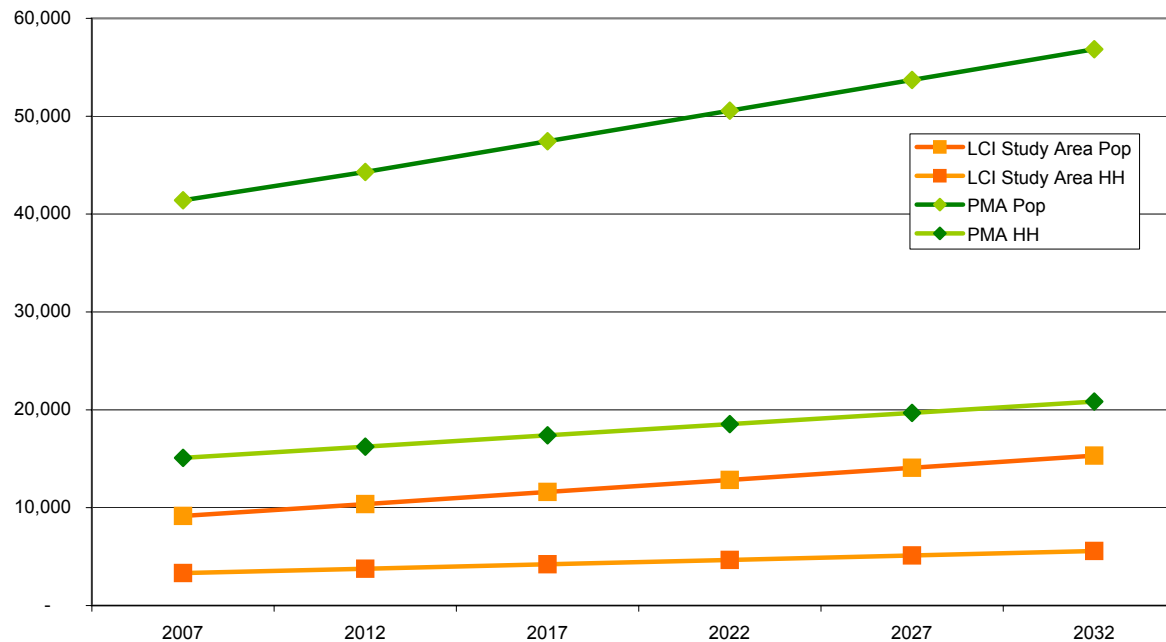


Source: US Census Bureau, Claritas, Atlanta Regional Commission

Population and Household Change Forecasts, LCI Study Area and Primary Market Area, 2007-2032

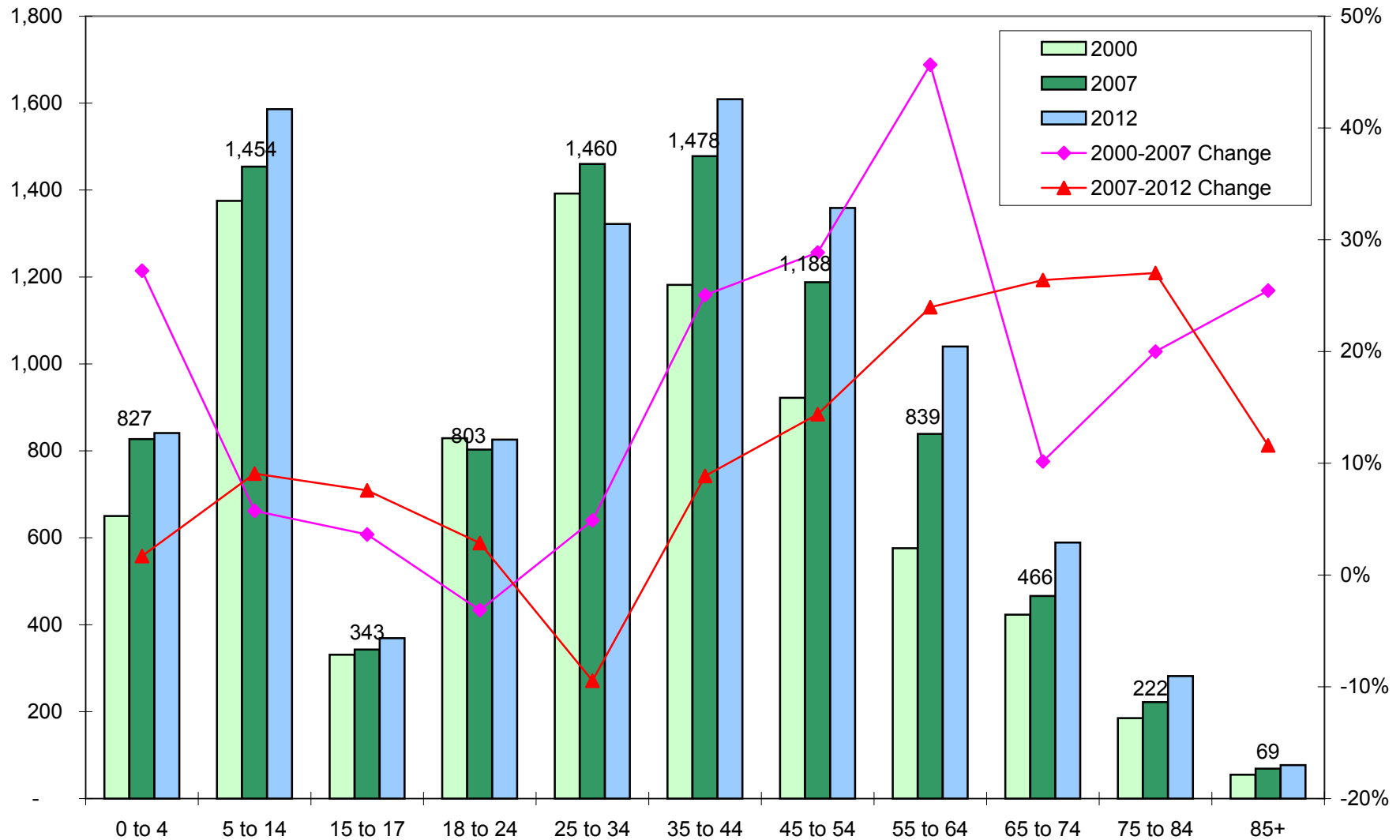
	2007	2012	Total Change		2027	2032	Average Annual Percent Change				
			2017	2022			2007-2012	2012-2017	2017-2022	2022-2027	2027-2032
LCI Study Area											
Population	9,148	10,365	11,603	12,841	14,079	15,317	2.7%	2.4%	2.1%	1.9%	1.8%
Households	3,317	3,767	4,217	4,667	5,117	5,567					
Primary Market Area											
Population	41,410	44,300	47,437	50,573	53,710	56,847	1.4%	1.4%	1.3%	1.2%	1.2%
Households	15,092	16,242	17,392	18,542	19,692	20,842					

Population and Household Growth Projections, 2007-2032



Source: US Census Bureau, Claritas, Market + Main, Inc.

Age Distribution and Change Trends, LCI Study Area, 2000-2012



Source: US Census Bureau, Claritas, Market + Main, Inc.

Occupations and Sector Employment, LCI Study Area and Atlanta MSA, 2007

	LCI Study Area	Atlanta MSA
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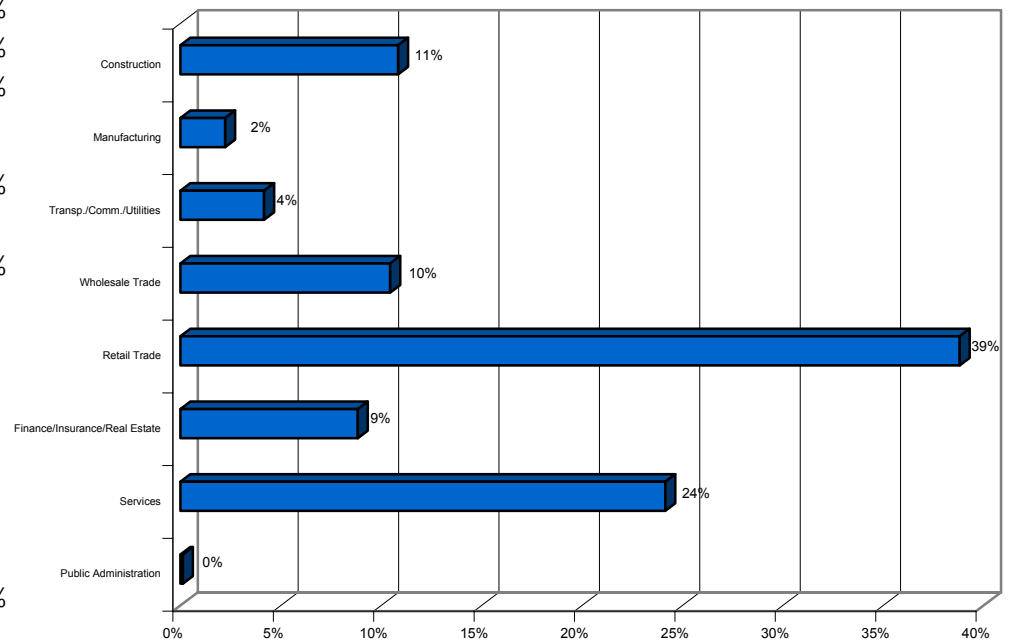
OCCUPATION

Management, business, and financial occupations	10.4%	17.1%
Professional and related occupations	19.5%	19.8%
Service occupations	20.6%	11.9%
Sales and office occupations	24.6%	28.6%
Farming, fishing, and forestry occupations	0.7%	0.2%
Construction, extraction, and maintenance occupations	11.5%	10.3%
Production, transportation, and material moving occupations	12.8%	12.0%

INDUSTRY SECTOR

	0.0%	0.0%
Construction	10.8%	5.3%
Manufacturing	2.2%	9.0%
Transp./Comm./Utilities	4.2%	6.4%
Wholesale Trade	10.5%	5.2%
Retail Trade	38.8%	21.7%
Finance/Insurance/Real Estate	8.8%	8.2%
Services	24.2%	37.0%
Public Administration	0.1%	6.1%

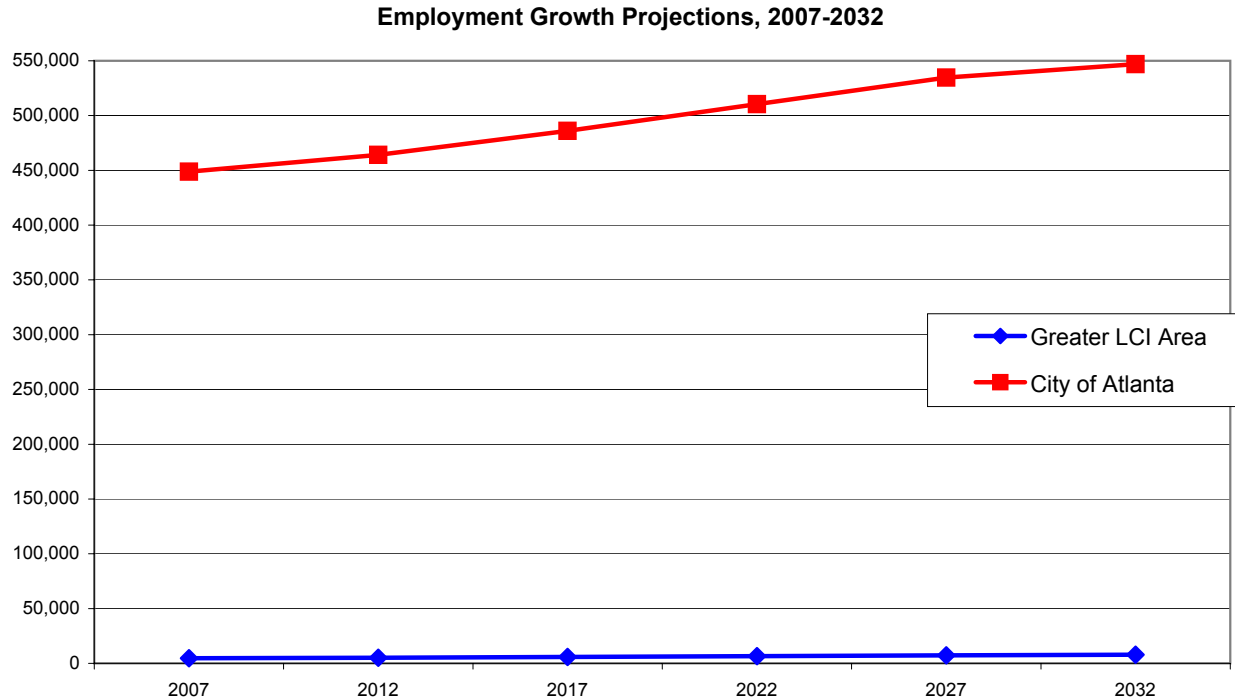
Sector Employment, LCI Study Area, 2007



Source: Claritas

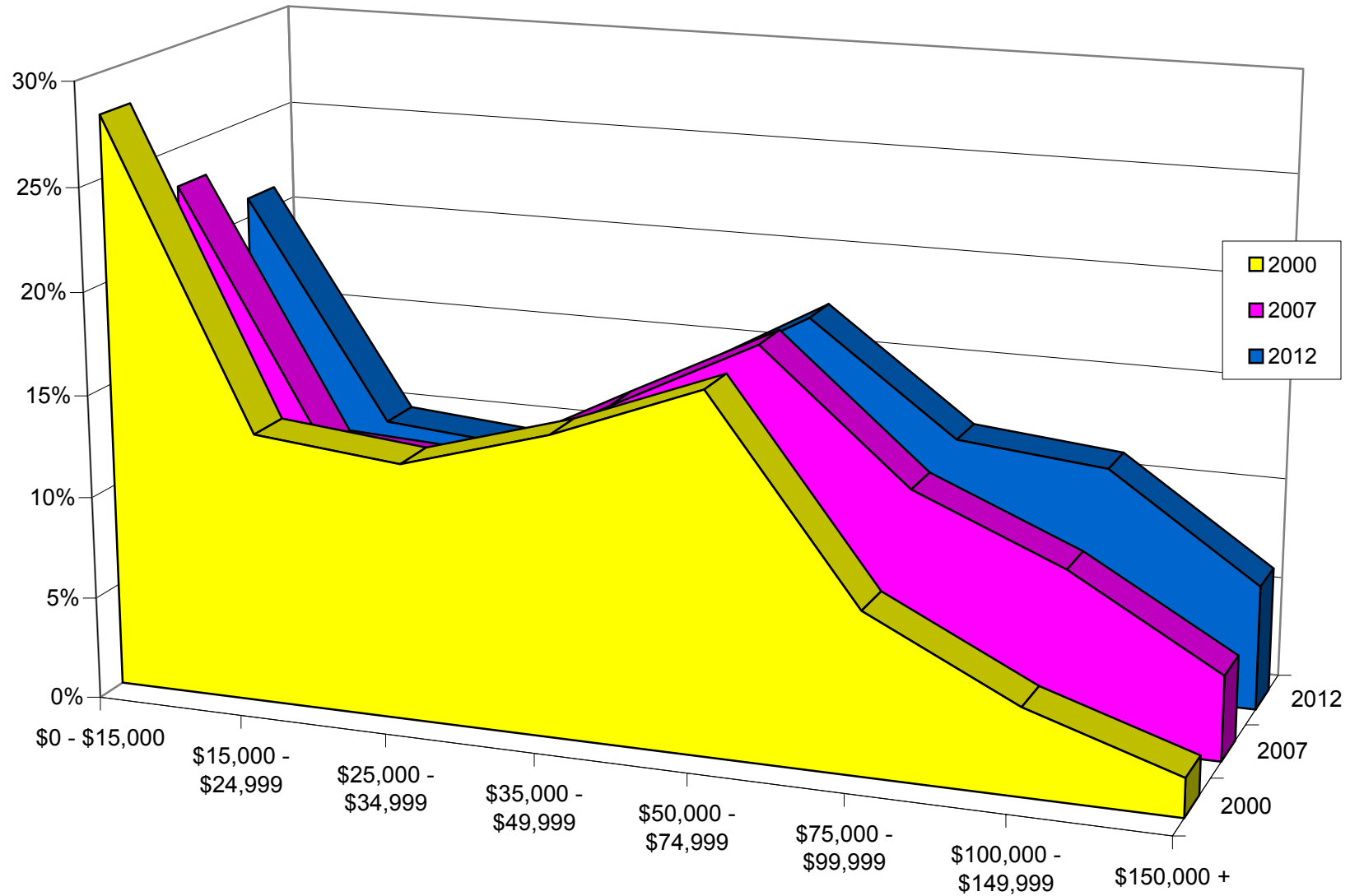
Employment Change Forecasts, Greater LCI Area, City of Atlanta and Atlanta Region, 2007-2032

	2007	2012	<u>Total Change</u>		2027	2032	<u>Average Annual Percent Change</u>				
			2017	2022			2007-2012	2012-2017	2017-2022	2022-2027	2027-2032
Greater LCI Area	4,646	5,176	5,818	6,560	7,325	7,904	2.3%	2.5%	2.6%	2.3%	1.6%
City of Atlanta	448,787	464,194	485,962	510,431	534,651	546,918	0.7%	0.9%	1.0%	0.9%	0.5%
Atlanta Region	2,197,012	2,385,619	2,599,161	2,845,466	3,104,205	3,310,004	1.7%	1.8%	1.9%	1.8%	1.3%



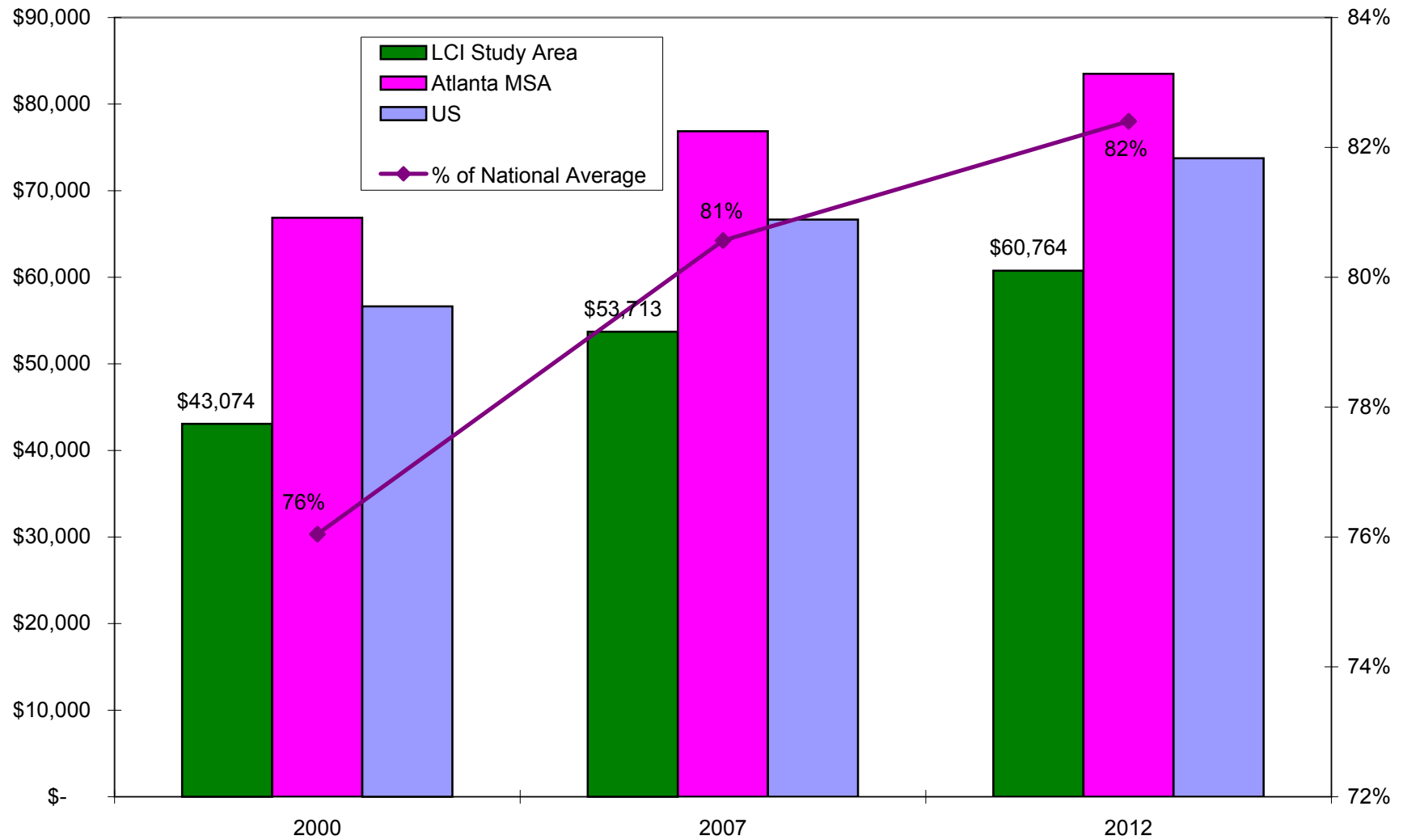
Source: Claritas, Atlanta Regional Commission, Market + Main, Inc.

Household Income Trends, LCI Study Area, 2000-2012



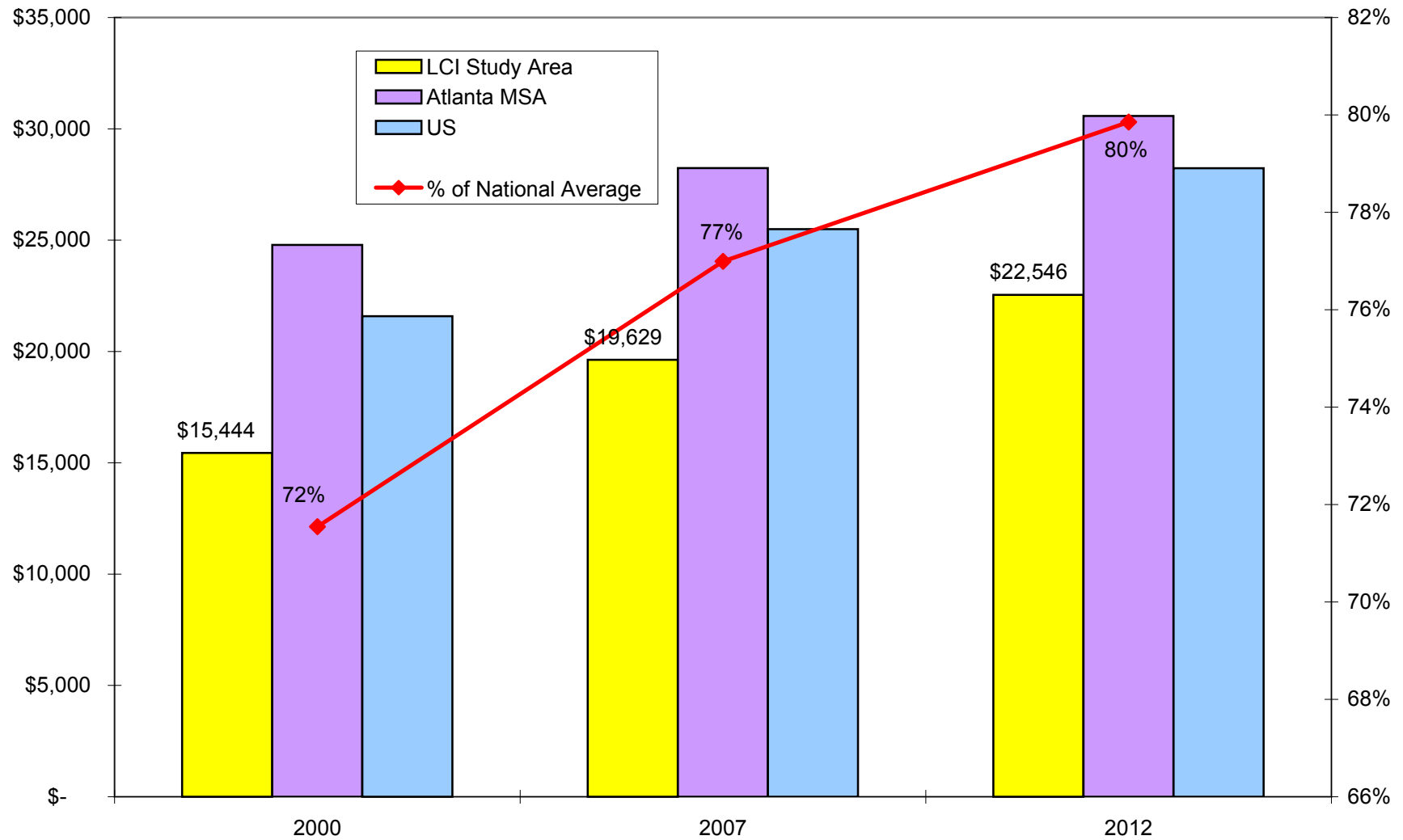
Source: US Census Bureau, Claritas

Average Household Income Trends, 2000-2012



Source: US Census Bureau, Claritas, Market + Main, Inc.

Per Capita Income Trends, 2000-2012



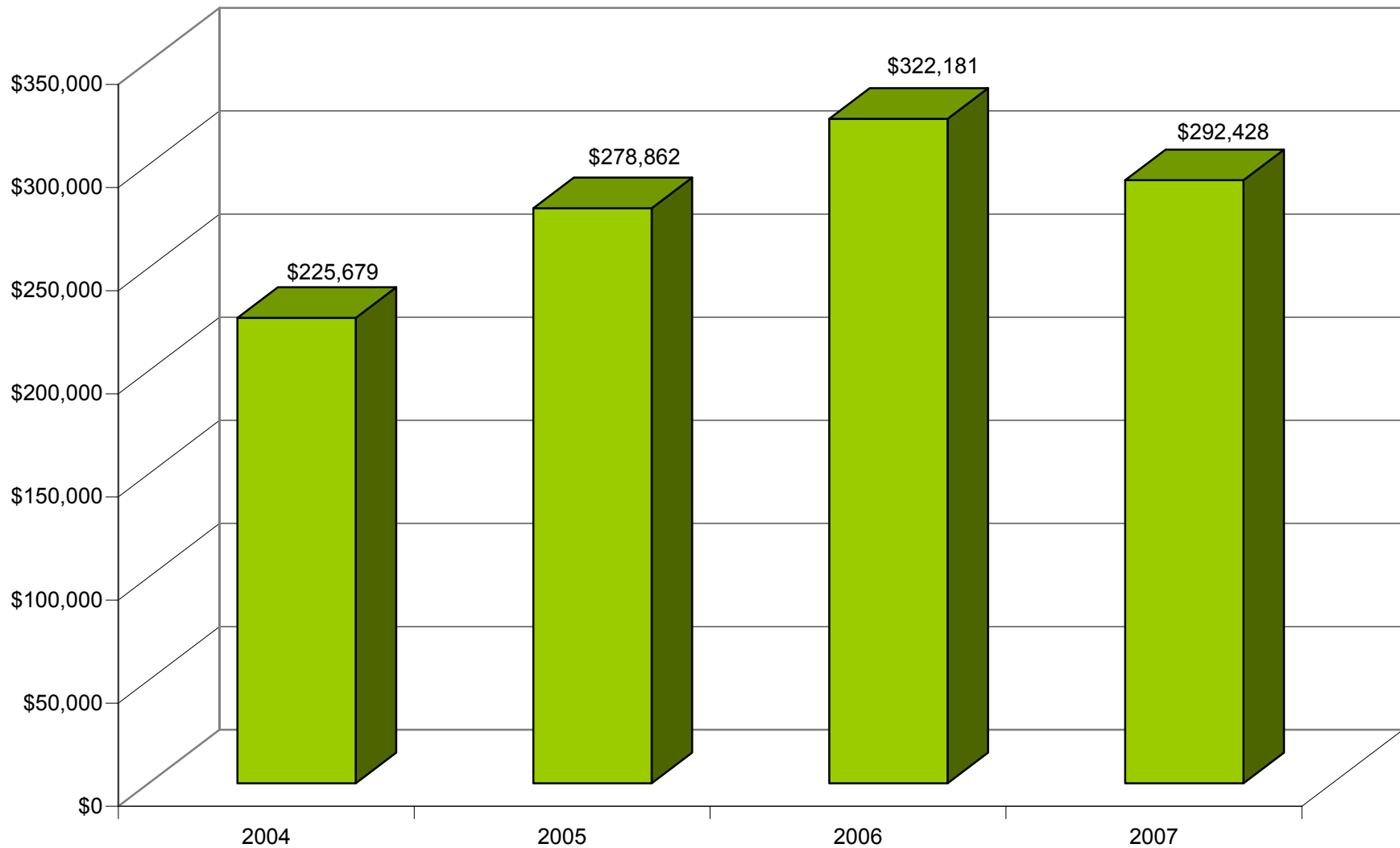
Source: US Census Bureau, Claritas, Market + Main, Inc.

Average Home Sales Prices, Zip Code 30315, 2004-2007



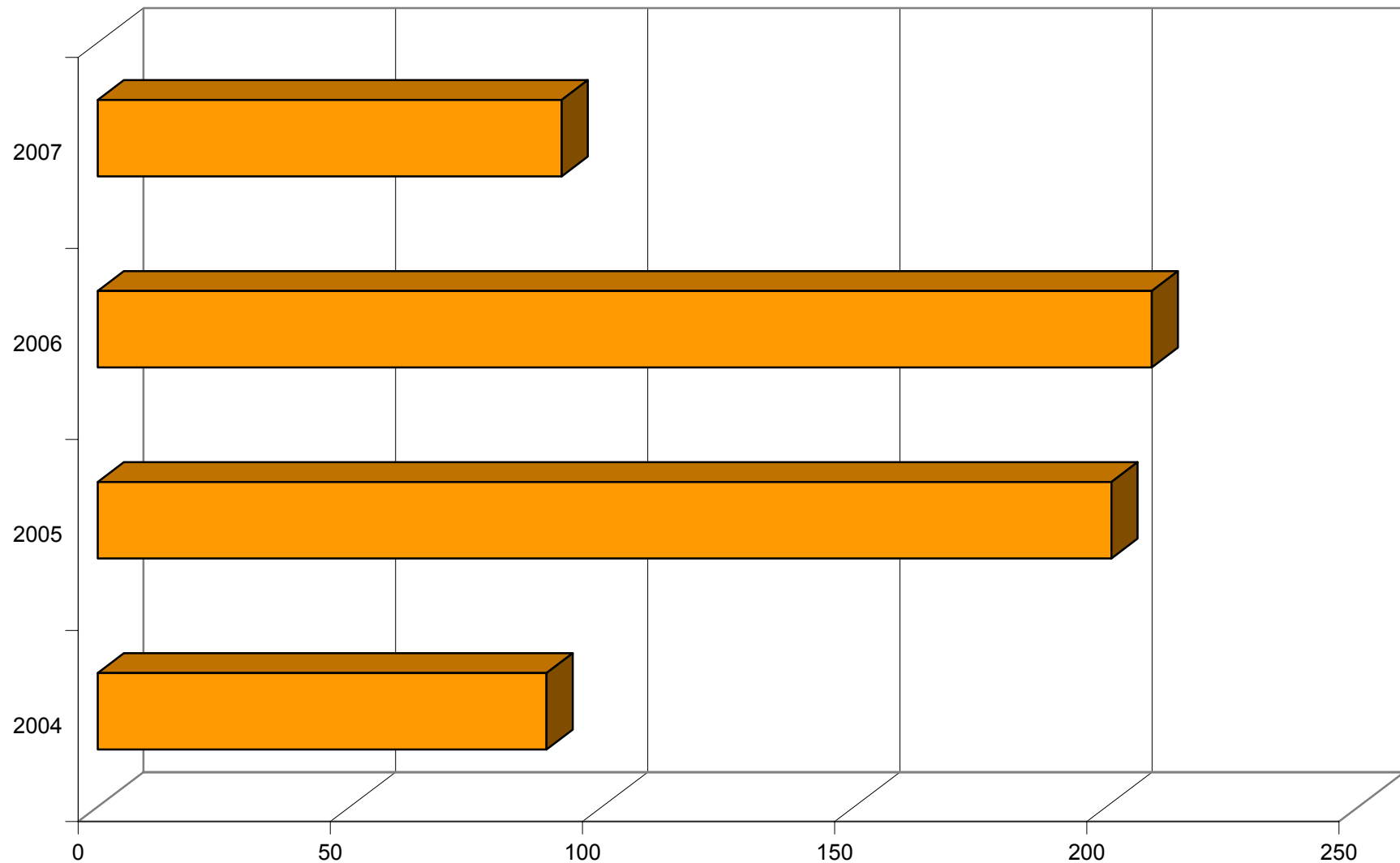
Source: Smart Numbers

Average Home Sales Prices, Zip Code 30316, 2004-2007



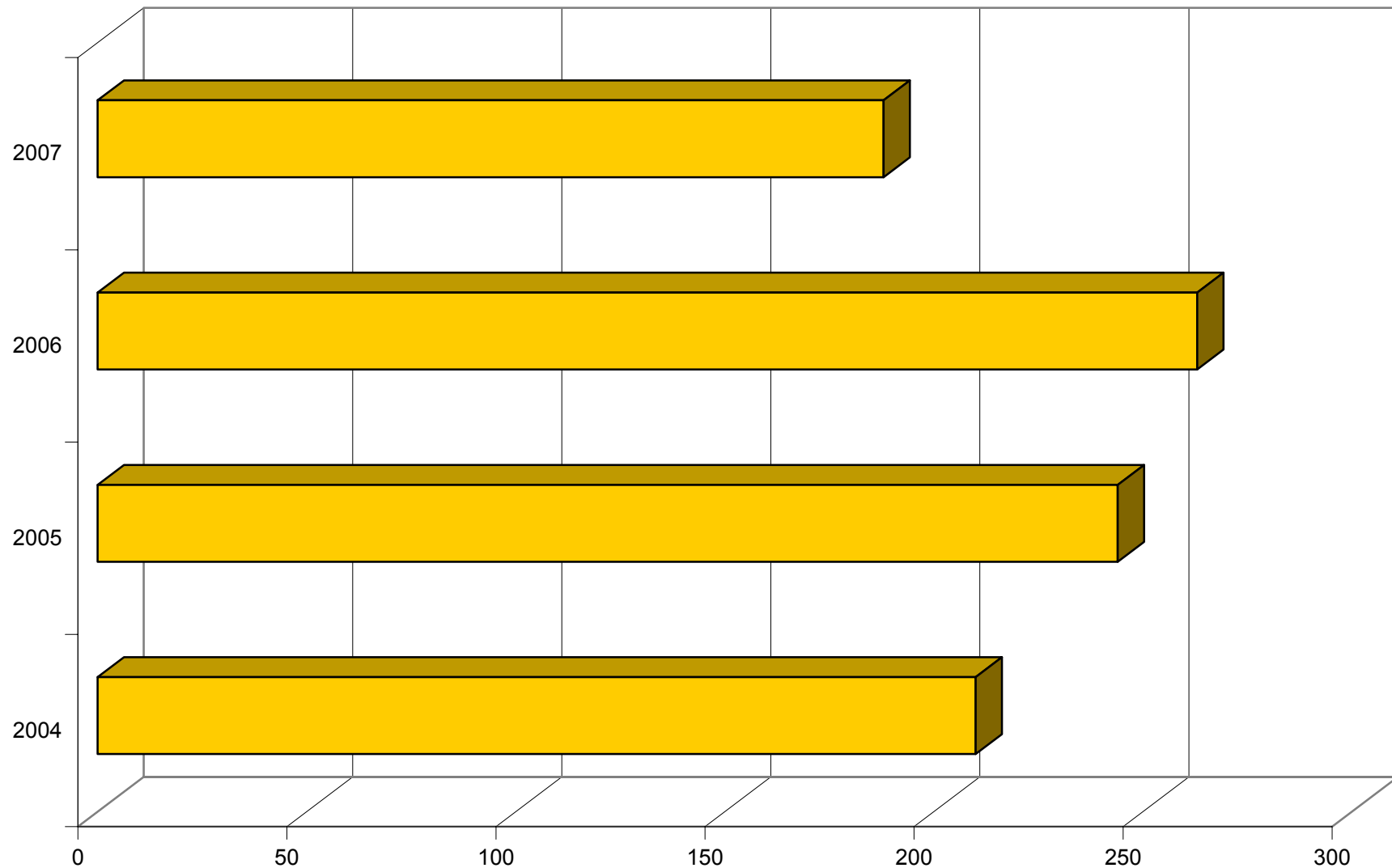
Source: Smart Numbers

Number of Residential Closings, Zip Code 30315, 2004-2007



Source: Smart Numbers

Number of Residential Closings, Zip Code 30316, 2004-2007



Source: Smart Numbers

Housing Demand Forecast by Type, Study Area, 2007-2032

Avg. Annual New	
Households	90
Owner HH	45
Renter HH	45

Percentage Distribution by Type

	Owner HH	Renter HH
Single-Family Detached	10%	10%
Single-Family Attached	55%	25%
Apartments	35%	65%
	100%	100%

Total Units Annually by Type

	Owner HH	Renter HH
Single-Family Detached	5	5
Single-Family Attached	25	11
Apartments	16	29
	45	45

Housing Units Forecasts by Type

	2012		2017		2022		2027		2032	
	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH
Single-Family Detached	23	23	45	45	68	68	90	90	113	113
Single-Family Attached	124	56	248	113	371	169	495	225	619	281
Apartments	79	146	158	293	236	439	315	585	394	731
	225	225	450	450	675	675	900	900	1,125	1,125

Total Housing Units Forecasts	450		900		1,350		1,800		2,250	
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Potential Supportable Neighborhood Serving Retail Space, Study Area, 2007

	Retail Sales Potential	Avg. HH Expenditure	Target Sales \$/SF	Total Potential Retail Space	Study Area Capture Rate	Study Area Potential Supportable Retail Space
Furniture and Home Furnishings Stores	\$3,066,915	\$925	\$163	18,759	8%	1,501 SF
Electronics and Appliance Stores	\$2,865,412	\$864	\$153	18,709	15%	2,806 SF
Building Material, Garden Equip Stores	\$13,043,900	\$3,932	\$143	91,025	8%	7,282 SF
Food and Beverage Stores	\$15,200,681	\$4,583	\$343	44,304	25%	11,076 SF
Health and Personal Care Stores	\$6,556,226	\$1,977	\$322	20,373	15%	3,056 SF
Clothing and Clothing Accessories Stores	\$6,138,310	\$1,851	\$168	36,453	25%	9,113 SF
Sporting Goods, Hobby, Book, Music Stores	\$2,136,905	\$644	\$147	14,566	25%	3,642 SF
General Merchandise Stores	\$15,049,314	\$4,537	\$128	117,564	8%	9,405 SF
Miscellaneous Store Retailers	\$2,983,029	\$899	\$166	17,972	5%	899 SF
Foodservice and Drinking Places	\$12,123,513	\$3,655	\$233	51,963	40%	20,785 SF
Total Retail	\$79,164,205	\$23,866		431,688		69,565 SF

Major Retail Categories:	
Convenience Goods	14,132 SF
Shoppers Goods	34,648 SF
Food & Beverage	20,785 SF

Potential Supportable Community Serving Retail Space, Study Area, 2007

	Retail Sales Potential	Avg. HH Expenditure	Target Sales \$/SF	Total Potential Retail Space	Study Area Capture Rate	Study Area Potential Supportable Retail Space
Furniture and Home Furnishings Stores	\$12,988,085	\$861	\$184	70,749	3%	2,122 SF
Electronics and Appliance Stores	\$12,405,532	\$822	\$270	46,016	5%	2,301 SF
Building Material, Garden Equip Stores	\$52,514,987	\$3,480	\$315	166,794	5%	8,340 SF
Food and Beverage Stores	\$66,887,103	\$4,432	\$339	197,499	5%	9,875 SF
Health and Personal Care Stores	\$29,121,269	\$1,930	\$309	94,142	5%	4,707 SF
Clothing and Clothing Accessories Stores	\$26,841,007	\$1,778	\$222	120,965	3%	3,629 SF
Sporting Goods, Hobby, Book, Music Stores	\$9,104,073	\$603	\$207	44,062	10%	4,406 SF
General Merchandise Stores	\$65,590,515	\$4,346	\$163	401,903	5%	20,095 SF
Miscellaneous Store Retailers	\$12,547,886	\$831	\$242	51,902	5%	2,595 SF
Foodservice and Drinking Places	\$52,418,034	\$3,473	\$303	173,168	10%	17,317 SF
Total Retail	\$340,418,491	\$22,556		1,367,200		75,387 SF

Major Retail Categories:	
Convenience Goods	14,582 SF
Shoppers Goods	43,488 SF
Food & Beverage	17,317 SF

Neighborhood Serving Retail Space Forecasts, Study Area, 2012-2032

	2012		2017		2022		2027		2032	
	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space
Furniture and Home Furnishings Stores	\$ 3,482,987	1,704	\$ 3,899,060	1,908	\$ 4,315,132	2,112	\$ 4,731,204	2,315	\$ 5,147,276	2,519
Electronics and Appliance Stores	\$ 3,254,147	3,187	\$ 3,642,883	3,568	\$ 4,031,618	3,948	\$ 4,420,354	4,329	\$ 4,809,089	4,710
Building Material, Garden Equip Stores	\$ 14,813,498	8,270	\$ 16,583,095	9,258	\$ 18,352,693	10,246	\$ 20,122,290	11,234	\$ 21,891,888	12,222
Food and Beverage Stores	\$ 17,262,878	12,579	\$ 19,325,074	14,081	\$ 21,387,271	15,584	\$ 23,449,468	17,086	\$ 25,511,664	18,589
Health and Personal Care Stores	\$ 7,445,675	3,471	\$ 8,335,124	3,885	\$ 9,224,572	4,300	\$ 10,114,021	4,714	\$ 11,003,470	5,129
Clothing and Clothing Accessories Stores	\$ 6,971,062	10,350	\$ 7,803,815	11,586	\$ 8,636,567	12,822	\$ 9,469,319	14,059	\$ 10,302,072	15,295
Sporting Goods, Hobby, Book, Music Stores	\$ 2,426,808	4,136	\$ 2,716,710	4,630	\$ 3,006,613	5,124	\$ 3,296,516	5,618	\$ 3,586,418	6,112
General Merchandise Stores	\$ 17,090,976	10,681	\$ 19,132,637	11,957	\$ 21,174,299	13,233	\$ 23,215,960	14,509	\$ 25,257,622	15,785
Miscellaneous Store Retailers	\$ 3,387,721	1,021	\$ 3,792,413	1,142	\$ 4,197,105	1,264	\$ 4,601,797	1,386	\$ 5,006,489	1,508
Foodservice and Drinking Places	\$ 13,768,246	23,605	\$ 15,412,980	26,425	\$ 17,057,713	29,245	\$ 18,702,447	32,065	\$ 20,347,180	34,884
Total Retail	\$ 89,903,998	79,002	\$ 100,643,790	88,440	\$ 111,383,583	97,877	\$ 122,123,376	107,315	\$ 132,863,168	116,752
Major Retail Categories:										
Convenience Goods		16,049		17,966		19,884		21,801		23,718
Shoppers Goods		39,348		44,048		48,749		53,449		58,150
Food & Beverage		23,605		26,425		29,245		32,065		34,884

Community Serving Retail Space Forecasts, Study Area, 2012-2032

	2012		2017		2022		2027		2032	
	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space	Retail Sales Potential	Study Area Potential Supportable Retail Space
Furniture and Home Furnishings Stores	\$ 13,886,545	2,269	\$ 14,861,885	2,429	\$ 15,837,225	2,588	\$ 16,812,565	2,747	\$ 17,787,905	2,907
Electronics and Appliance Stores	\$ 13,263,694	2,460	\$ 14,195,287	2,633	\$ 15,126,880	2,806	\$ 16,058,473	2,978	\$ 16,990,066	3,151
Building Material, Garden Equip Stores	\$ 56,147,749	8,917	\$ 60,091,361	9,543	\$ 64,034,972	10,169	\$ 67,978,584	10,795	\$ 71,922,195	11,422
Food and Beverage Stores	\$ 71,514,067	10,558	\$ 76,536,952	11,300	\$ 81,559,837	12,041	\$ 86,582,722	12,783	\$ 91,605,607	13,524
Health and Personal Care Stores	\$ 31,135,754	5,033	\$ 33,322,615	5,386	\$ 35,509,476	5,740	\$ 37,696,337	6,093	\$ 39,883,197	6,447
Clothing and Clothing Accessories Stores	\$ 28,697,753	3,880	\$ 30,713,378	4,153	\$ 32,729,002	4,425	\$ 34,744,627	4,698	\$ 36,760,252	4,970
Sporting Goods, Hobby, Book, Music Stores	\$ 9,733,854	4,711	\$ 10,417,524	5,042	\$ 11,101,194	5,373	\$ 11,784,864	5,704	\$ 12,468,534	6,035
General Merchandise Stores	\$ 70,127,786	21,485	\$ 75,053,304	22,994	\$ 79,978,822	24,503	\$ 84,904,340	26,012	\$ 89,829,858	27,521
Miscellaneous Store Retailers	\$ 13,415,895	2,775	\$ 14,358,178	2,970	\$ 15,300,461	3,164	\$ 16,242,745	3,359	\$ 17,185,028	3,554
Foodservice and Drinking Places	\$ 56,044,089	18,515	\$ 59,980,420	19,815	\$ 63,916,751	21,116	\$ 67,853,082	22,416	\$ 71,789,413	23,716
Total Retail	\$ 363,967,186	80,602	\$ 389,530,903	86,263	\$ 415,094,621	91,925	\$ 440,658,338	97,586	\$ 466,222,056	103,247
Major Retail Categories:										
Convenience Goods		15,591		16,686		17,781		18,876		19,971
Shoppers Goods		46,497		49,762		53,028		56,294		59,560
Food & Beverage		18,515		19,815		21,116		22,416		23,716

Total Retail Space Forecasts, Study Area, 2007-2032

	2007	2012	2017	2022	2027	2032
Furniture and Home Furnishings Stores	3,623	3,974	4,337	4,700	5,063	5,426
Electronics and Appliance Stores	5,107	5,647	6,200	6,754	7,307	7,861
Building Material, Garden Equip Stores	15,622	17,187	18,801	20,415	22,029	23,643
Food and Beverage Stores	20,951	23,137	25,381	27,625	29,869	32,113
Health and Personal Care Stores	7,763	8,503	9,271	10,039	10,807	11,575
Clothing and Clothing Accessories Stores	12,742	14,230	15,738	17,247	18,756	20,265
Sporting Goods, Hobby, Book, Music Stores	8,048	8,847	9,672	10,497	11,321	12,146
General Merchandise Stores	29,500	32,166	34,951	37,736	40,521	43,306
Miscellaneous Store Retailers	3,494	3,795	4,112	4,429	4,746	5,062
Foodservice and Drinking Places	38,102	42,120	46,240	50,360	54,480	58,601
Total Retail SF	144,952	159,604	174,703	189,802	204,901	219,999

Major Retail Categories:						
Convenience Goods	28,714	31,640	34,652	37,664	40,677	43,689
Shoppers Goods	78,136	85,845	93,811	101,777	109,743	117,710
Food & Beverage	38,102	42,120	46,240	50,360	54,480	58,601

Office Space Demand Forecast, Study Area, 2007-2032

	2007	2007-2012	2012-2017	2017-2022	2022-2027	2027-2032
Primary Market Households	3,649	13,214	10,698	10,245	11,605	9,338
Primary Market Population-Est.	9,953	36,040	29,179	27,942	31,652	25,469
Office Employees-Est.	199	721	584	559	633	509
 Total Demand-Potential Office SF	 54,740	 198,222	 160,484	 153,683	 174,085	 140,082
Demand Increments	0	30,603	51,004	44,204	64,606	30,603
 Study Area Capture-Total SF	 21,896	 79,289	 64,194	 61,473	 69,634	 56,033

**SOUTH MORELAND LCI STUDY
ECONOMIC AND MARKET ANALYSIS**

**Summary of Selected Retail Centers, Study Area
Fourth Quarter 2007**

Address	Year Built	% Leased	Gross Leasable Area
1278 Custer Ave		100	1,543
380 Flat Shoals Ave		100	1,500
496-498 Flat Shoals Ave		100	6,673
550 Flat Shoals Ave		100	4,000
567 Flat Shoals Ave		100	1,200
411 Flat Shoals Ave SE	1970	100	3,156
442 Flat Shoals Ave SE		100	1,200
465-471 Flat Shoals Ave SE	1985	100	9,500
498 Flat Shoals Ave SE	1945	100	8,100
477 Flat Shoals Ave SW		100	1,440
450 Flat Shoals Rd	1965	100	5,050
470 Flat Shoals Ave SE	1950	100	9,000
1267 Glenwood Ave		100	2,472
1308 Glenwood Ave		100	2,850
1231 Glenwood Ave SE	1961	100	11,360
1246 Glenwood Ave SE		100	1,796
1261 Glenwood Ave SE	1945	100	4,244
1271 Glenwood Ave SE	1950	100	2,508
535 Gresham Ave	1950	100	4,502
1212 McPherson Ave		100	2,000
1181 McPherson Ave SE	1996	100	3,210
475 Moreland Ave	1973	100	6,440

**SOUTH MORELAND LCI STUDY
ECONOMIC AND MARKET ANALYSIS**

**Summary of Selected Retail Centers, Study Area
Fourth Quarter 2007**

Address	Year Built	% Leased	Gross Leasable Area
714 Moreland Ave	1965	100	5,810
755-765 Moreland Ave		100	20,000
793 Moreland Ave		0	1,200
1130 Moreland Ave	2007	100	3,500
1159 Moreland Ave	1993	0	1,600
1162 Moreland Ave	2002	100	61,872
1276 Moreland Ave		100	3,930
1289 Moreland Ave	1965	0	4,000
1401 Moreland Ave		100	2,139
1405 Moreland Ave	1981	100	1,176
1461 Moreland Ave	2007	100	10,000
2157 Moreland Ave		100	1,000
2474 Moreland Ave	1964	100	4,400
2474 Moreland Ave	1964	100	2,040
403 Moreland Ave SE	1980	100	2,026
495 Moreland Ave SE		100	3,600
720 Moreland Ave SE	1940	0	3,290
749 Moreland Ave SE		100	9,000
752 Moreland Ave SE	1955	100	2,358
752 Moreland Ave SE	1955	0	3,968
809 Moreland Ave SE	1953	100	2,200
1162 Moreland Ave SE	2002	100	10,822

**SOUTH MORELAND LCI STUDY
ECONOMIC AND MARKET ANALYSIS**

**Summary of Selected Retail Centers, Study Area
Fourth Quarter 2007**

Address	Year Built	% Leased	Gross Leasable Area
1196 Moreland Ave SE	1969	100	1,562
1202 Moreland Ave SE	1969	100	3,888
1208 Moreland Ave SE	1995	100	7,581
1211-1261 Moreland Ave SE	1960	100	71,000
1256 Moreland Ave SE	1954	100	1,800
1266 Moreland Ave SE	1969	100	1,580
1296-1432 Moreland Ave SE	1959	95.6	246,778
1350 Moreland Ave SE	1960	100	2,000
1455 Moreland Ave SE	2008	0	9,000
1951 Moreland Ave SE		100	7,399
2225 Moreland Ave SE	1950	100	2,500

**SOUTH MORELAND LCI STUDY
ECONOMIC AND MARKET ANALYSIS**

**Summary of Selected Office Buildings, Study Area
Fourth Quarter 2007**

Address	Building Class	Year Built	% Leased	Total Space
3298 Fayetteville Rd	C		100	1,800
3320 Fayetteville Rd SE	C		100	1,200
514 Flat Shoals Ave	B		50	12,000
416 Flat Shoals Ave SE	C		100	2,500
453-457 Flat Shoals Ave SW	B		100	4,520
440 Moreland Ave	C	1966	100	3,950
797 Moreland Ave	C		100	1,982
921 Moreland Ave	C		100	2,000
525 Moreland Ave SE	C	1947	100	15,647
785 Moreland Ave SE	C		0	1,500
1149 Moreland Ave SE	C	1978	100	3,000
1234 Moreland Ave SE	C	1973	100	7,692
2414 Moreland Ave SE			100	10,296
2414 Moreland Ave SE	B		100	4,000
612 SE Moreland Ave	C		100	1,994

**SOUTH MORELAND LCI STUDY
ECONOMIC AND MARKET ANALYSIS**

**Summary of Selected Industrial Buildings, Study Area
Fourth Quarter 2007**

Address	Building Class	Year Built	% Leased	Total Space
3814 Fayetteville Rd SE		1964	0	30,600
543-551 Flat Shoals Rd		1930	100	6,000
1895 Highway 42			100	80,000
1952 Moreland Ave			100	38,854
1250 Moreland Ave SE			100	2,000
1460 Moreland Ave SE		1957	100	61,140
1920 Moreland Ave SE		1970	100	43,830
1940 Moreland Ave SE		1954	100	11,550
1952 Moreland Ave SE		1955	100	34,370
2427 Moreland Ave SE			100	100,000
1056 Moreland Ind Blvd SE			100	83,000
543 Stokeswood Ave SE		1964	100	14,000
3250 Woodstock Rd SE		1965	100	92,632